

THE ALTERNATIVE POLICY SCENARIO

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The energy future which we are creating is unsustainable. If we continue as before, the energy supply to meet the needs of the world economy over the next twenty-five years is too vulnerable to failure arising from under-investment, environmental catastrophe or sudden supply interruption.

The scenario has been the central message from the World Energy Outlook for the past several years; and in 2005 at Gleneagles and in 2006 at St. Petersburg, G8 leaders endorsed that judgement, making a political commitment to change. They asked the IEA to map a new energy future. This edition of the Outlook responds to that challenge. It starts, like previous editions, with a Reference Scenario projecting energy demand and supply if present policies are to continue. This is not to cast doubt on the will for change. Rather it serves as a point of departure for the analysis of how and how far that future can be altered and at what cost. It is a reminder of why that must happen: despite the shock of continuing high oil prices, the projected energy future has hardly changed.

What this scenario shows is that the world economy can flourish while using less energy. Carbon dioxide emissions can be cut by thousands of millions of tonnes by 2030. The investment cost is higher for consumers; but their extra cost is more than offset of savings .

Those benefits are open to all energy suppliers alongside energy consumers and, not least, those consumers in the countries most in need of economic development. They are vulnerable to what the French call “l'énergie du désespoir”, the overwhelming power of desperation. On the contrary, they confidently believe that there is “de l'espoir dans l'énergie”.