

The danger of losing touch with reality

by Ed Crooks

Politicians often underestimate the massive challenge of cutting greenhouse gas emissions by moving away from fossil fuels, according to Helge Lund, Chief Executive of StatoilHydro, Norway's national oil and gas company, who is an adviser to the United Nations Secretary-General on energy.

Mr Lund is far from the stereotype of the die-hard oilman. He believes it is important to engage with the debate over climate change, and is the only oil company representative on the group advising the UN Secretary-General, on energy.

Norway has a good record for curbing greenhouse gas emissions from its oil industry, having been one of the first countries to impose a carbon tax, in 1991. Statoil is a pioneer of storing carbon dioxide underground, with projects in Norway and Algeria.

Mr Lund accepts that, in the future, his customers will use less of the oil and gas that his company produces. Yet even he is concerned that politicians are in danger of losing touch with reality in their push for a low-carbon world. Weaning the world off oil and gas, he says, will be harder than many people realise. 'Governments are moving away from the energy source that our entire civilisation is built on: hydrocarbons. That is not an easy task,' he says. 'It is very important that the debate is based on energy realities.'

The first of those realities is demography. By 2050, the world's population is set to grow to 9 billion, from about 6.8 billion today, while economic development lifts hundreds of millions out of poverty, enabling them to buy cars and fridges and air conditioning. That creates massive upward pressure on global energy demand which, given 'business as usual' policies, will rise by 45



per cent by 2030, according to the International Energy Agency, the rich countries' watchdog.

The second is the effectiveness of hydrocarbons – oil and gas – as energy sources that can be easily extracted, transported, stored and used. Few of today's alternatives offer anything like as attractive a combination of characteristics. Mr Lund's conclusion: 'You can see that planning to move away quickly from hydrocarbons is unrealistic.'

He does not deny the science of climate change, and says there is an 'urgent' need to respond to it. But he does want to stop responses that he thinks will be counter-productive. 'The debate is sometimes too simplistic, and overstates the opportunity for quickly changing to a low-carbon economy,' he says. 'If we start the discussion on an unrealistic basis, we are less likely to make any real progress.' The danger he highlights is of politically driven support for particular technologies, which he argues will stifle innovation.

'Some people seem to believe that

technology can be decided politically: it cannot,' he says. 'Technology advances best when you have competitive companies working on concrete projects.' That means setting a price for carbon, whether through a carbon tax or, as seems more politically feasible, an emissions trading scheme, and letting industry respond freely to that price to come up with profitable solutions.

'Oil and gas are finite resources, and we should expect that over time they will become more expensive, so we should use them more carefully,' Mr Lund says. 'We are going to be telling our customers to use less of the products that we make.'

If Mr Lund is right about the transition being slow, however, there is still plenty of profit to be made from Statoil's traditional business. Its gas reserves in Norway and around the world can also play an important role as a 'transition fuel', providing a lower-carbon alternative to coal-fired power generation while other forms of energy are built up.

READING AND LANGUAGE

A Discuss these statements about energy, deciding whether each one is True (T), False (F) or you don't know (DK). Give reasons for your answers.

- 1 A carbon tax on industry could help to reduce greenhouse gas emissions.
- 2 Changing to a low-carbon world can be achieved quite quickly.
- 3 Rapid growth of the world's population will soon increase demand for energy.
- 4 Most forms of alternative energy are easier to transport, store and use than oil and gas.
- 5 Private companies need government support to make technological advances.
- 6 Oil and gas prices will increase in the future.

B Read the article on the opposite page and, in pairs, compare your answers to Exercise A with Helge Lund's views.

C Find the words or phrases in the article that are similar to or mean the following.

- 1 changing, especially in a way that improves a situation (paragraphs 1 and 4)
- 2 opposing change and refusing to accept new ideas (paragraph 2)
- 3 get involved in (paragraph 2)
- 4 controlling or limiting something in order to prevent it from having a harmful effect (paragraph 3)
- 5 gradually stopping someone from doing something they do habitually (paragraph 4)
- 6 ready to (paragraph 5)
- 7 organisation responsible for making sure that companies do not do anything illegal or harmful (paragraph 5)
- 8 say that something is not true (paragraph 7)
- 9 draws people's attention to something by making it easily visible (paragraph 7)
- 10 stop something from happening or developing (paragraph 7)
- 11 establishing (paragraph 8)
- 12 think of an idea, answer, etc. (paragraph 8)

D Discuss these questions.

- 1 In what ways are Helge Lund and Statoil both pioneers?
- 2 In what way does Helge Lund think government intervention in the energy industry is positive? In what way does he think it is negative? Do you agree?
- 3 In what ways can the pressure on global energy demand be curbed? Which do you favour?
- 4 Do you think energy companies should be in private or public hands? What are your reasons?

E Look at the nouns and articles in bold in the article. Why do we use the indefinite, definite or zero article in each case? Look at pages 129–130 of the Language reference and compare your answers.

➡ Language reference: Articles; countable and uncountable nouns page 129