

Sector's policies come under global scrutiny

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The energy sector is beset with a number of formidable challenges: steep rises in energy prices, consumer concerns over high energy costs, budget imbalances in oil-importing countries, climate change and uncertainties concerning future energy supplies.

For the energy industry to make the transitions needed in the next decades, solutions will need to be found that strike a balance between economic, social and environmental issues.

Sustained growth, implementation of environmental protection measures and reduction of energy inequality across the globe will require massive investments by the energy industry. They will also require governments to take global factors into account in their national energy policies.

Policy frameworks are needed for solutions and technologies, including bold energy efficiency measures that reconcile economic growth and climate preservation.

If we are to invest massively in low-carbon or carbon-free technologies and to launch new investments to address the shift in demand toward Africa, Asia, Latin America and the Middle East, we need effective price

signals along with enabling regulations. This will call for effective policy measures that guarantee access to energy for all.

Public awareness and debate are essential to this process.

To facilitate this, the World Energy Council (WEC), the foremost global organisation of the energy industry, is launching the first-ever assessment of energy policies, based on a multi-dimensional index.

The aim is first to collect quantitative data on national energy policies, secondly to assess the relevance of such policies, and thirdly to compare and benchmark the results within clusters of similar countries.

It is an open and transparent exercise and the world energy community is welcome to take part fully in the development of our methodology.

This assessment will serve as an important gauge of progress and highlight best practices on energy policy, just as other studies draw world attention to important areas, such as environmental performance and country competitiveness.

Initially, the WEC's Energy Policy and Practices Index (EPPI) will cover 11 countries, with the ultimate aim of worldwide coverage. The assessment will comprise two parts. A "macro" evaluation will determine how a country succeeds in delivering energy according

to three criteria: accessibility, meaning a minimum level of commercial energy services at affordable and sustainable prices; availability, regarding short- and long-term reliability of energy supply and demand; and acceptability by the public of energy forms and environmental considerations. A "micro" analysis will also identify the most effective policies and best practices.

For purposes of comparison, countries will be clustered by level of economic development and energy needs. For example, Japan will be grouped with developed country net energy importers, whereas Bolivia will be compared with other developing countries that are net energy exporters.

The goal is to promote an understanding of energy policy priorities and options across all countries. It is also to develop an understanding of the underlying principles that support effective energy policies and practices.

EPPI will use data collected in collaboration with the world's most important international institutions that research the sector, such as the International

Energy Agency, and local energy institutes.

A preliminary report will be unveiled during the United Nations Climate Change Conference on December 1-12 in Poznan, Poland. Our aim is to deliver the first full WEC report – covering up to 60 countries – in December 2009 as a support to the UN Climate Change Conference in Copenhagen, where countries are expected to strike a global framework agreement to tackle climate change.

Effective energy policy has clearly emerged as the foremost priority if the industry is to successfully adapt to the new global environment. We know that this can only come from a collective effort to work through the complex issues at hand.

The WEC initiative aims at fostering dialogue and discussion across the energy industry, and in wider society, to ensure the very best solutions are adopted to meet each country's energy needs while addressing global priorities.

The nature and magnitude of the challenges ahead require no less. It is an urgent undertaking in the interest of each and every one of us.

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Pierre Gadonneix is chairman of the World Energy Council, and chairman and chief executive of EDF.