

**Emerging Challenges and Opportunities  
World Energy Forum  
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**OPENING STATEMENT**

Good morning Excellencies, Ministers, Ambassadors, Ladies and Gentlemen. It is indeed an honor and a privilege to have the opportunity to share some thoughts regarding emerging challenges and opportunities facing our global energy future. And how most appropriate that we sit here in the headquarters of the United Nations and participate in the World Energy Forum. And I thank the organizers of the World Energy Forum for the kind invitation to be here with you this afternoon.

Also, thank you on behalf of the global business community for including business and industry views in your discussions.

We face perhaps the most challenging time in our industries century old history. And we have a tremendous history to be proud of. Energy has lead to the industrialization of much of our global economy. In the past three decades we have significantly improved energy efficiency; we have reduced the environmental impact of energy consumption; we have dramatically improved our collective energy security by diversification of energy resources – both geographically and technologically.

And for those populations served by commercial energy; we have never before enjoyed the convenience brought by electricity including our increasingly digital economy and the personal and commercial value of mobility provided by petroleum fuel. Our civilization, our education, health care, economic development, civil society, all aspects of human progress are routed in our use of clean, available, affordable and reliable supplies of energy. Let me repeat this – our challenge and our opportunity is to continue to provide clean, available, affordable and reliable supplies of energy.

The value of energy availability is not evenly spread around this world of ours. As has been mentioned frequently the past two days – too many of our fellow citizens lack access to commercial forms of energy. Estimates of the deprived range from 1.5 to 2 billion people. Just as many lack adequate access to energy. They suffer brownouts and blackouts from unreliable supplies of electricity; and from either unavailable or to expensive supplies of gasoline and other liquid fuels. These fellow citizens are deprived of basic services that most of us have taken for granted for decades and decades. For all the progress we have made in the past one hundred years, our work is far from complete.

And the state of our current progress, as good as it is, is not completely acceptable to our citizens, to our governments, to our customers and it is not satisfactory to our business and industry. We must, we can, and we will aspire to do more. We will continue to expand the provision of energy and energy services to those currently lacking commercial access. And, we will confront and we will solve the issues associated with climate change. We now face unprecedented financial and investment challenges due to the global financial crisis, the collapse of credit markets, extreme price volatility and significant uncertainty of future energy demands and prices.

With this backdrop we come together to discuss with business and governments:

- How to reduce investment risk;
- How to reduce price volatility;
- And in terms of investments in low emission – clean technology – who pays?;
- And how can cooperation help move these issues forward, resulting in increased and expanded access to all forms of energy.

The message that a portfolio of technologies is needed bears repeating:

- Governments can adopt policies that enable rapid deployment of technologies for energy efficiency, energy supply diversity; energy demand reduction and smart delivery of energy resources;
- Governments can encourage public-private sector coordination and cooperation, particularly for transferring technology and management expertise to developing countries;
- Governments can take action to expedite the deployment of advanced clean energy technologies including all renewables, energy efficiency, advanced nuclear, carbon capture and storage, and the recognition that we globally have to further develop our oil and natural gas resources.

We also must confront the finance issues, both for those countries who lack access to capital for energy projects and those who can finance traditional technologies but cannot support the incremental capital cost of clean energy technologies.

We at the United States Energy Association have facilitated country to country bi-lateral cooperation with support of our U.S. Agency for International Development, U.S. Department of Energy and U.S. Department of State and with tremendous support of the U.S. private energy sector. These efforts at international collaboration should be expanded.

The International Energy Agency, earlier this year presented a self-described “scary picture” by noting that energy sector global capital expenditures are projected to be down 20% from 2008

to 2009; and renewables down 38%. Power generation is expected to decline globally for the first time since World War II and to see a drop of 3.5%. At the same time, huge investments are needed to reduce carbon dioxide emissions and to meet future demands, projected to increase by 60-80% by 2050.

A clear consensus has been expressed by the global energy business community that all supply sources and technologies will be needed to meet goals of ending energy poverty, addressing climate concerns and providing for energy security and economic growth. Traditional supply sources, convention oil and natural gas, coal, nuclear, hydro and renewables must remain options as must new renewables, unconventional oil and gas, and advanced clean energy technologies.

Governments must simultaneously create incentives for clean energy deployment and remove barriers such as restricting access to resources, punitive taxes, trade barriers and other restrictions. As we work through the current financial crises, governments must resist protectionism and allow the free flow of goods, services and human capital, while protecting intellectual property.

Governments and business working together cooperatively can confront the financial investment crisis by recognizing these circumstances that will require three differing sets of solutions:

1. Unfreeze global credit markets, which are stymieing developed countries and severely penalizing developing countries;
2. Deal with countries that have no access to capital by helping them develop revenue streams to support borrowing; and
3. Deal with countries that in normal times can access capital but can't or won't invest the incremental sums needed to deploy advanced clean energy technologies.

The business community is pledging to work cooperatively with governments and international governmental organizations to develop public policies to help technologies be developed and deployed.

Our industry has a tremendous, 100 years plus history of achievement that has served the citizens of the world very well. But, we can, we must, and we will do better.

With great challenges comes great opportunity. As the title of this session suggests, we have a historic moment where we can use the public interest in energy to move technologies forward with unprecedented speed. By governments working with governments on policy and governments working with the private sector to mobilize capital, we together can bring the value of clean energy to those who today, cannot access it or afford it.

We can also modernize systems and arrive at a largely de-carbonized energy future this century, while keeping energy affordable. Our best technology will not serve our customers if our customers cannot afford to utilize it. Clean, available, affordable, and reliable energy - that is our challenge and that is our opportunity.

Thank you for the opportunity to share these thoughts with you.