

15 July 2009

Interview with OPEC Secretary General, HE Abdalla Salem El-Badri



HE Abdalla Salem El-Badri,
OPEC Secretary General

What keeps you awake at night?

I sleep for a good six or seven hours a night, but will do so even more soundly once we eradicate the volatility caused by oil market speculation. When speculators loosen their grip on prices, we hope that fundamentals will once again govern the oil market. Here at OPEC, we have long been telling the world that the extreme volatility witnessed in recent years has been driven primarily by speculation. But we're cautiously happy to see that people are beginning to listen.

In June, at the Sixth Meeting of the EU-OPEC Energy Dialogue, both parties endorsed calls for an urgent and global response to the challenges posed by today's financial markets. In July, the British and French Prime Ministers released a joint statement urging improved guidelines for the oil futures markets in order to reduce "damaging speculation". They also recognized that abnormally low oil prices, while giving short-term benefits, do long-term damage. In addition, the US Commodity Futures Trading Commission now appears set to curb excess speculation.

All this is extremely necessary. Extreme oil prices are damaging to both consumers and producers. When too high, they destroy demand patterns, making investment decisions impossible. When too low, they cripple development programmes in oil-dependent producing countries, and prevent oil industry investment. The latter is vital for research and development, encouraging new human capital and enabling capacity expansion to meet future demand. Low prices, therefore, sow the seeds of market tightness, instability and boom-bust cycles.

What would you appreciate feedback from WEC members on?

I would encourage information sharing on all levels, especially where related to energy demand and supply. OPEC is particularly concerned about the ambitious targets for alternative energies such as biofuels. In reality, fossil fuels will continue to provide most of the world's energy needs for the foreseeable future. Oil producers need clearly-stated, non-discriminatory and realistic energy policies, to make informed investment decisions.

What should the WEC think about?

In a word – technology. OPEC recognizes the challenges posed by climate change. Many Member Countries are already increasing the efficiency and environmental credentials of fossil fuels, and should continue to do so. Carbon capture and storage (CCS) has enormous potential in this respect. CCS needs to be commercialized quickly and developed countries should take the lead in this as well as in the greenhouse gas mitigation effort generally, given their historical responsibility and technological and financial capabilities.

WEC Debriefing

On June 25 and 26 Judy Trinnaman and Alan Clarke, Joint Editors of the Survey of Energy Resources (SER), represented the WEC at the IEA Global Oil and Gas Innovation Dialogue 2009, in Florence. The Energy Technology Collaboration Division presented a draft of the 2nd edition of an IEA best seller, *Resources to Reserves, Oil & Gas Technologies for the Energy Markets of the Future*, for discussion at the meeting. Topics covered included global and arctic hydrocarbon resource assessments; deep to ultra-deep field development; gas hydrates; technologies for improving recovery of oil and gas; and environmental issues. Not only has the Survey of Energy Resources been used as one of the data sources but the IEA report, when published later this year, will provide further publicity for WEC work.

As a part of 2009 activity program WEC'S Turkish Committee organized two panels namely; "**The Effects of Global Crises in Turkish Energy Sector**" and "**Solar Power in the World and in Turkey**". Both panels were held in Ankara addressing an audience over 100 people. The electricity consumption is less than the demand of last year by 5%, and the general energy consumption seems to follow a similar trend. Though global financial and economic crises seem to have negative effects for new investments, it provided an opportunity for reviewing energy policies and reassessing incentives. Though Turkey is a country rich in solar opportunities, it is evident that solar power has to be supported by extra incentives for further development. The panel was organized during a period in which a new decree is under consideration by the parliament.

Congress Update

REMINDER: CALL FOR TECHNICAL PAPERS STILL OPEN

We would like to remind interested authors that the deadline for sending a paper abstract is **January 10, 2010**. The object of the call for papers is to create a suitable forum to present research results and summaries, as well as encourage in-depth discussion of the key issues covered by the general Congress theme: Responding now to global challenges. Energy in transition for a living planet.



WEC Agenda

We invite our members to attend the following upcoming WEC events:

October 19th; London, UK

Performance of Generating Plant (PGP) Committee Meeting

Contact: nurse@worldenergy.org

October 29th; Bucharest, Romania

WEC-Romanian National Committee Interconnectivity - Grid Reliability Conference

Contact: gmbalan@cnr-cme.ro

September 16-19; Reykjavik, Iceland

WEC Executive Assembly 2009

Contact: melton@worldenergy.org

October 13-14; London, UK

FT-WEC Energy Leaders Summit 2009

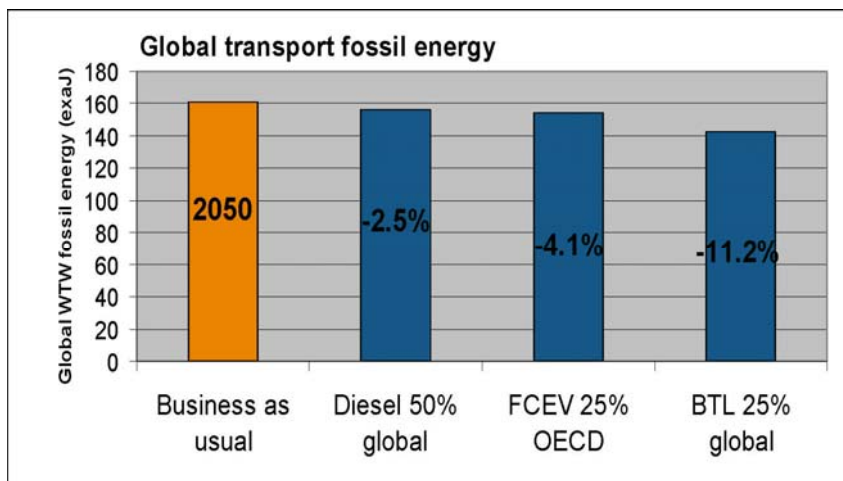
<http://www.ftconferences.com/energy>

Contact: hedberg@worldenergy.org

For further events, including Member Committee and third-party events, please check the Events page on our WEC website.

Inside Insight

Effect of fuel type on energy used in passenger vehicles



- Diesel (and hybrids) provide a few percent energy reduction at high penetrations
- Fuel Cell Electric Vehicles (FCEV) can bring greater reduction but at higher cost
- Advanced biofuels bring very high reductions, but sustainability must be ensured

Source: Transport Technology and Policy Scenarios to 2050

Graph used in: "Transport Technology and Policy Scenarios to 2050", Tokyo Symposium, 28th October 2008
www.worldenergy.org/publications

World Energy Council

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