

December 15, 2011

## An Interview with Nouredine Boutarfa, President and CEO of Sonelgaz and Chair of WEC Algeria



*Nouredine Boutarfa has been President and CEO of Sonelgaz holding since 2004. The company operates primarily in electricity and gas generation, transmission and distribution. Sonelgaz specialises in engineering, energy infrastructure and R&D activities. Mr Boutarfa joined Sonelgaz in 1974 as Director of Economic Studies and Director of Engineering. In 2001, he was additionally appointed CEO of the Algerian Energy Company, leading projects including power generation and sea water desalination.*

### What are the key take away points to highlight from the WEC Executive Assembly in Oran?

First of all, I would like to say a word about the WEC Algerian Committee which, since its creation in 1970 has worked, in closed collaboration with other stakeholders, to promote and develop the energy potential of Algeria and acted in favor of international cooperation to promote a sustainable energy future. The key ideas resulting from the EA, from both the Chairs Roundtables and the Algerian Energy Day, focused on the realization of the imperative energy requirements needed to ensure growth and prosperity in our economies whilst preserving the interests of future generations. We need to secure the adequate financing for investments, especially in developing countries which are facing the challenges of rapid population expansion and consequently rapid growth in energy demand. For Algeria, it was vital to discuss the different ways and means to cater to our growing energy needs to secure the long term sustainable development of our country. More specifically, the imperative investments to be made in renewable energies, notably through partnerships, and the necessity to make renewables a key element of our energy mix.

### What does the energy future look like for Algeria?

The future of Algeria will, hopefully, be green. We are planning to reach a 40% share of renewables in electricity production for domestic consumption by 2030 and to make energy efficiency our real workhorse.

Challenges for Algeria will be both environmental, including the need to diversify energy sources, and industrial. The Algerian work program concentrates on renewables and energy efficiency together with training, capitalization and R&D. It aims to stimulate an industry based mainly on solar energy with most of the components to be manufactured through partnerships in Algeria itself. Our country meets all the key requirements to develop a program based on solar and photovoltaic energy at a big scale, thanks to its size, proximity to Europe and high level of solar radiation. Other projects such as wind farms or geothermal could provide other opportunities for Algeria to seize. However, we would need to create incentive for the necessary investments and the critical impulse from the state. Furthermore, Algeria holds important hydrocarbon reserves. Our country consists of 1.5 million km<sup>2</sup> of sedimentary basins of which two thirds are not yet explored. Exploration is at the heart of our strategy and investment opportunities are open to our partners. We are intensifying exploration efforts in order to increase our reserves to meet the growing needs of our domestic market but also to consolidate our position as a reliable and active player in regional and international markets.

### Which role is Sonelgaz going to play in this future?

A key role! The Algerian state is at the heart of our economic and energy strategy. It will help guide and build the renewables industrial sector that we want to be highly competitive in the medium to long term. Sonelgaz group will be central to this process together with investment partners from the public and private sectors. We believe in the high potential of diverse energy mix in Algeria. In terms of electricity, the government will allocate \$ 30 billion to build new power plants producing at an average rate of 1 200 MW / year, by 2020. In terms of renewables, we have a program of \$ 80 billion and plan to build electricity exports from renewables by nearly 10 000 MW between 2011 and 2030. Sonelgaz, through its subsidiary Rouiba Lighting, is building a manufacturing plant for photovoltaic modules with a capacity of 116 MWp / year, unique in Africa, which is expected to be operational by end of 2013. We have also launched a project to build a 10 MW wind farm in the south. This project will kick start the process of large scale industrialization according to the national integration program and help promote win-win partnerships.

A tender process will be launched for the manufacture of mirrors, CSP equipment and energy storage facilities of the block of power, masts and wind turbine rotors. Similarly, we anticipate the creation of a network of national subcontracting for the manufacture of equipment for the production of solar and wind energy.

## WEC Debrief

### Executive Assembly 2011: knowledge sharing and participation

The idea behind the innovative format for the 2011 EA was to make the most of the gathering together of our global network in Algeria. We created more opportunities for knowledge sharing, discussion and collaboration on both internal WEC activities and wider energy sustainability related issues.

Holding all committee meetings on a single day allowed for enhanced dialogue, coordination and collaboration between our core activities. More substance and debate around key energy issues was brought into the event during the Secretaries' days, Chairs round table and the regional sessions. This spirit also came through during the EA plenary where counterproposals came from the assembly and enriched WEC's collaborative and democratic working process. On behalf of the Chairman and WEC Officers, I would like to thank all our members for their attendance and contributions.

Following on the success of the 2011 assembly (see satisfaction survey average rating table), be assured that we will work towards developing even more exciting and fruitful programs for the 2012 EA in Monaco on November 5-8.

Review the [2011 EA key takeaways and principal decisions](#) on WEC's website.

Executive Assembly 2011	Satisfaction Survey 1= not satisfied 5 = very satisfied
SecStratDay	4.33
Chairs RT	3.94
Regional Plenary	4.10
StuCom	4.10
ProCom	3.90
CoCom	4.38
Fin Com	4.33
EA	4.20
RM Europe	4.30
RM Africa	4.60
RM Asia/ME	NA
RM Americas	4.20

## REGIONAL EVENTS

### India Energy Congress 2012

23-24 January 2012 – New Delhi

Organised : Indian Member Committee

Contact: Mr.Gautam Vivek

Details: +91 11 24363719 - [gvwecimc@gmail.com](mailto:gvwecimc@gmail.com)

### Africa Indaba Energy

21-23 February 2012 - Johannesburg

Contact: Candice Scorer

Details: +27 11 463-9184 - [candice@energyindaba.co.za](mailto:candice@energyindaba.co.za)

[www.energyindaba.co.za](http://www.energyindaba.co.za)

### FOREN 2012 - Central and Eastern Europe Energy Forum 17-21 June, 2012 - Black Sea, Shore resort Neptun-Olimp

National & Regional Energy Policies & Strategies. Security of Supply

Organised by: Romania National Committee

Contact: Dr. Gheorghe Balan - [www.cnr-crm.ro/foren2012](http://www.cnr-crm.ro/foren2012)

Details: +4021 2114155/56 - [foren2012@cnr-cme.ro](mailto:foren2012@cnr-cme.ro)

## WORLD ENERGY LEADER'S SUMMIT

### WEC World Energy Leaders' Summit

19-20 April 2012 - Istanbul

\*\* Registration open soon\*\*

Email: [chandler@worldenergy.org](mailto:chandler@worldenergy.org)

## WEC EXECUTIVE ASSEMBLY

### WEC Executive Assembly 2012

5-8 November 2012 – Montecarlo, Monaco

Email: [chandler@worldenergy.org](mailto:chandler@worldenergy.org)

## WORLD ENERGY CONGRESS

### World Energy Congress

15-17 October 2013 - Daegu, South Korea

THEME: Securing Tomorrow's Energy Today

[www.daegu2013.kr](http://www.daegu2013.kr)

Further details on WEC [Events Page](#)

## WEC News

### Rules of Trade report to COP17 and WTO

The World Energy Council (WEC) has presented three principal statements dealing with rules of trade in the energy sector to COP17 and the WTO. It is hoped that these statements, representing the WEC membership of 3000 organisations in over 90 countries, will aid policy makers to develop sustainable structures to improve the utilisation of energy. These statements along with a WEC paper entitled "Energy sector environmental innovation: Understanding the roles of technology diffusion, intellectual property rights, and sound environmental policy for climate change" can be found on the WEC and WTO websites

[http://www.wto.org/english/forums\\_e/ngo\\_e/pospap\\_e.htm](http://www.wto.org/english/forums_e/ngo_e/pospap_e.htm)

## Inside Insight

### COP17 opens road towards legally-binding global climate framework but concerns remain about delaying action

The UN Climate Summit in Durban reached a significant and unexpectedly positive outcome despite low expectations and the difficult context of economic and financial crisis. The most significant result is that, for the first time, an agreement was reached involving all major emitters, including the US, China and India. It removed the wall of the 20-year-old two-tiered system in which developed and developing countries were treated differently. However, despite the acknowledgement that time is running out, no additional action to mitigate climate change will be taken before 2020 and with no guarantee for it to happen after that.

In the [World Energy Insight 2011](#), published earlier this year, Cristiana Figueres, Executive Secretary of UNFCCC, noted three gaps to be closed for Durban to constitute a success. Looking at the results of COP 17, we see some progress happening at the governance gap level but little improvement in terms of the overall ambition and in addressing the financial gaps.

3 Gaps to be closed with COP17	Outcomes of COP17
<p><b>Governance Gap</b></p> <p>'Currently, many uncertainties exist about the nature and status of emission reductions beyond 2012'</p>	<p><b>+</b> Global legally-binding commitments, covering both developed and developing countries, to be negotiated by 2015 and to bring it into effects from 2020</p> <p><b>+</b> Extension of the Kyoto Protocol starting from 2013 for a period of 5 to 7 years and CCS to be added to the CDM</p> <p><b>-</b> No additional climate action before 2020 and no guarantee of 2020 action</p> <p><b>-</b> Second period of the Kyoto Protocol endorsed by the EU alone so far and declined by Canada, Japan and Russia</p>
<p><b>International Ambition Gap</b></p> <p>'Collectively, the international (voluntary) pledges to reduce emissions over the next few decades only takes us 60% of the way to cap the global temperature rise at 2°C. What about the remaining 40% gap?'</p>	<p><b>+</b> Acknowledged that the current sum of pledges is not high enough</p> <p><b>-</b> Little progress to close the significant ambition gap</p>
<p><b>Financial Gap</b></p> <p>'Cancun Agreements include creating a Green Climate Fund to disburse 100 billion US\$ per year by 2020 (Fast Track Approach: 30 billion US\$ by 2012) to assist developing countries. But it is unclear how the Fund will be capitalized.'</p>	<p><b>+</b> Agreed to put into operation the Global Climate Fund</p> <p><b>+</b> Almost all of the Fast Start Fund has been identified (27-28 billion US\$) as mentioned by UN Secretary General</p> <p><b>-</b> No agreement on how to finance and operate the Fund</p> <p><b>-</b> Remaining other issues including developing countries' burden sharing, carbon tax (on bunker fuels), etc.</p>

**Season's greetings!** Thank you for your support and we look forward to working with you again in 2012! Please, note that we will be closed from 23<sup>rd</sup> of December (1PM) until Tuesday 3<sup>rd</sup> of January (9AM). Our next WEC Inside will be on Jan.15th 2012.

### Christoph Frei, Secretary General

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