

Renewable Energy in the Era of Low Oil Price

Marcelo Cummins – Technical Leader, GE’s Asia Pacific Renewable Sales Team

Kasper Yttesen – Director of Offshore Strategy, Siemens Wind Power Offshore

Kim Dong-kwan – CCO, Hanwha Q Cells Corp

The world’s energy demand will double in the next 25 years, according to Kasper Yttesen, Siemens Director of Offshore Strategy. Mr. Yttesen, along with two other panelists, discussed how their businesses are addressing these future energy needs at the 2015 World Knowledge Forum’s event titled Renewable Energy in the Era of Low Oil Prices.

Each panelist had the opportunity to discuss their companies’ renewable energy business models.

Marcelo Cummins, GE’s Renewable Sales Team Technical Leader for the Asia-Pacific region, called his company “technology-agnostic,” due to the fact that it was spread across nearly all energy markets, including fossil fuels, wind, and other renewables.

“The global trend is moving to lower-carbon technology,” said Mr. Cummins. He emphasized the need for strong government support and stable policies to support this trend.

Mr. Yttesen demonstrated how effective renewable energy can be when government and industry cooperate. In the company’s home country, Denmark, wind turbines produce a majority of the energy consumed.

“We have days where 100 percent of power is from wind, and I think that’s pretty cool,” he said.

Kim Dong-Kwan, CCO of Hanhwa Q Cells, a solar panel producer, noted that low oil prices should not have any impact on countries’ ability to improve their renewable energy infrastructure.

“There’s very little correlation, and only less than 3 or 4 percent of the world burns oil for power generation,” he said. “Low oil prices have a lot of negative impact on investor sentiment, and actually does not have any correlation with the competitiveness of renewables.”

Moreover, he added, the majority of energy investment, even after the fall of oil prices, has continued to be in renewables. This signifies that the inflection point at which renewables are more cost-effective than traditional energy sources is rapidly approaching.

“Wind power will more or less need no subsidies going forward,” said Mr. Yttesen. He also argued that the impact of improved renewable technology and access reach beyond simple economics, saying that it reduces geopolitical risk for countries that rely on importing energy, like Korea.

Mr. Cummins said that, despite this, many countries, including his home of Australia, are not yet entirely committed to renewable energy.

“But what we see in Australia,” he said, “is the industry and our customers showing more leadership in saying to regulators, ‘Come on guys, we want some more clear targets so we can get on and invest,’ and I think that’s a trend shared globally.”

This trend could be seen in Siemens’ goal to be carbon-neutral as a company by 2030, said Mr. Yttesen.

All panelists agreed that, because of that trend of industry and customers taking the lead, the era of fossil fuels was coming to an end, even with lower oil prices.

“People didn’t have to run out of stones to end the Stone Age,” said Mr. Kim. “People are fundamentally changing the way we make, use, and store energy.”