

Energy Co2 : Renewable Energy

"No Silver Bullet"

Renewable energy consultant, Andrew Shapiro, is sceptical if renewable energy alone can secure the world's energy future. He favors an intelligent mix of energy sources.



GreenOrder Founder and CEO Andrew L. Shapiro

What are the most important factors driving corporate interest in renewables?

Corporate interest in renewable energy is being driven by mounting concerns about climate change and other environmental issues, desire for greater energy security in light of growing global energy demand, and the increasing price of non-renewable energy sources such as oil and natural gas.

Of course, the drivers of change differ for companies of varying sizes and in different locations - depending, for example, on whether the companies are based in countries that comply with the Kyoto Protocol and to what degree government incentives exist for renewables. Many companies are also recognizing that their stakeholders see investment in renewables as a sign of investment in progress and the future.

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How do most firms invest?

The majority of firm investment and government incentives in renewables has targeted wind and solar energy, with bio-energy a close third. Wind and solar are becoming relatively mature, with major utilities and large manufacturers -- such as GE -- making a positive impact on our energy landscape right now, and doing so in a profitable way.

Beyond that, there has been an increase in corporate and government

R&D spending to support a wide range of alternative energy technologies, from fuel cells to tidal power. There is also a robust and growing ecosystem of entrepreneurial firms, venture capitalists, and researchers exploring next-generation solutions - such as thin-film solar, cellulosic ethanol, or sterling engines. Everyone in this field recognizes that there is no "silver bullet" for our energy future. Rather, the solution lies in a mix of both utility scale and distributed-generation power sources.

How important are state incentives for corporate investment in renewables?

It is important to remember that government has always played a role in energy development, renewable or not, and in many other industries as well (e.g., health care, aerospace). In the United States, many states have taken a leadership role through renewable portfolio standards, research grants, and the "clean" investment policies of employee savings-plans such as California's. These programs are critical to the growth in the sector we are witnessing today. That said, as technology advances and production volumes grow, we are opening new markets while driving down costs.

Combined with what appears to be a structural shift upward of the cost of traditional energy sources, we are seeing more and more cases of renewables being competitive with traditional power sources. Wind power and ethanol are leading the way in this respect, and the future is bright for other renewable technologies, as well.

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