

# Energy Conservation and Renewable Energy: moving towards a sustainable Energy future in Egypt and the Mediterranean Region

27 February 2017

Opening Speech  
Bruno Lescoeur, OME Chairman

*Your Excellency, Dr. Mohamed Shaker, Minister of Electricity and Renewable Energy*

*Dear Dr. Moustafa Swidan, ENC-WEC Chairman*

*Dear Eng. Gaber Desouki, Chairman of the Egyptian Electricity Company – EEHC*

*Dear Eng. Raafat El Beltagy, OME Honorary Chairman,*

*Dear Jorge Borrego, Deputy Secretary General of the Union of the Mediterranean Secretariat*

*Dear members, dear partners, Dear guests,*

*Ladies and gentlemen,*

As the Chairman of OME I am very glad to welcome you to this conference on **“Energy Conservation and Renewable Energy: moving towards a sustainable energy future in Egypt and the Mediterranean Region,”** here in Cairo.

Please, allow me to warmly thank ENC-WEC and EEHC for inviting OME to team up in the organisation of this particularly important event; my thanks are extended to the speakers and panellists, and to all of you who have kindly joined us today.

***Excellency, distinguished guests,***

This conference is very timely; the year 2017 will indeed be crucial to understand whether the excitement raised by unprecedented and ambitious policy decisions like the adoption of the Paris Agreement and the NDCs (Nationally determined Contributions) submitted by almost all the countries in our region, or the release of the EC Energy Winter Package will continue or not in the current context of geopolitical changes. Recent statistics are very encouraging: according to the IEA, 2015 was a record year for renewable electricity, whose cumulative installed capacity worldwide overtook coal, accounting for more than half of net annual additions to power capacity. As more specifically for our Mediterranean region, OME's statistics indicate that in 2016 renewables surpassed natural gas as the first electricity generation source in terms of capacity.

These positive trends are stimulated by continued sharp cost reductions, with announced long-term remuneration prices ranging from USD 30/MWh to USD 50/MWh for both onshore wind and PV power plants, with record-low prices announced in North Africa and the Middle East. Therefore, it is no longer a matter of discussing *if* and *when*, but *how* sustainable energy technologies have to be managed in order to ensure a cost-effective, equitable and affordable energy mix. This is reflected in today's agenda, where prominent speakers from Egypt and the Mediterranean region will discuss recent technology developments, needed policies to scale up the size of sustainable energy technologies market, market integration and how to accelerate the energy transition and turn the Mediterranean region into a sustainable energy hub.

In particular, tailored policies and support mechanisms whether in terms of access to finance, selection of technology, or economic development clauses, should be well designed for a wide scale development and deployment of sustainable energy technologies. Needless to say, their effective implementation and follow-up is also a key of success.

As the Chairman of an energy industry association, I am deeply convinced about the need to profoundly rethink and transform the way energy is produced, distributed and consumed. Energy is the largest CO<sub>2</sub> emitter, responsible for two-thirds of GHG emissions at world level. Renewable energy, energy efficiency, energy storage, smart grid - as well as modal shifts and other policies impacting individual behaviour, have already contributed to change the old energy paradigm and lead to a more efficient and equitable system. Yet, a lot has to be done, and the urgency of issues like climate change, energy security, sustainable development and ensuring energy access to all calls for a much rapid transition.

We all know that renewable energy and energy efficiency are an integral part of sustainable development policies and core actions to help meet the Millennium Development Goals and the 2030 Agenda for sustainable development. We also know that the Mediterranean region has an enormous renewable energy potential, in terms of good solar radiation, wind speed, availability of biomass and, in certain countries, good geothermal resources. However, this potential is still largely unexploited. Renewables account only for 10% of TPES (20% of capacity) in the Mediterranean region, and the growth of renewables so far has been led mostly by North Mediterranean countries, which account for almost 80% of RES supply. In the South and East Mediterranean, the largest share of renewable energy is located in Turkey and Egypt.

In addition to this uneven geographical distribution, we can also observe an unbalance between the share of renewable electricity, which is growing steadily, and the still modest contribution of renewable heat and transport. As well, energy efficiency is still often overlooked despite the cost-effectiveness and degree of maturity of several technologies. Targeted policies are needed to revitalise these market sectors, particularly in a low fossil fuel price context. Both top-down and bottom-up approaches are needed, with a forward-looking vision.

***Excellency, distinguished guests,***

The establishment of the European Energy Union two years ago represents a significant step forward, as it will reinforce not only the internal dimension of the EU energy policy, but also its external dimension through a more inclusive EU energy diplomacy. Along the same lines, the launch of the three energy platforms, on natural gas, Regional electrify market and renewable energy and energy efficiency, under the umbrella of the Union for the Mediterranean will help intensify Euro-Mediterranean energy cooperation by enhancing bottom up dialogue and exchange of best practices and hopefully contribute to accelerating the path towards a sustainable energy development in our region.

Strengthening energy cooperation between EU and neighbouring countries is in my view a must and can lead to win-win opportunities and improve energy security in the current context of growing energy demand worldwide. This will benefit to both shores. The challenge is certainly great but there is little doubt that the opportunities of a more collective approach will outweigh the costs, by offering more flexibility and giving additional impetus to investments through a level playing field which can favour business opportunities both for North and South Mediterranean operators.

As an association gathering key energy players along the Mediterranean shore, OME promotes Mediterranean cooperation through North-South dialogue on cross-sectoral energy issues, and is committed to advance regional dialogue on energy and accelerate the transition to a prosperous and fair energy future in the Mediterranean.

I am very glad that many of our members have accepted to participate in this very interesting event, and to share knowledge and experience in order to quickly move towards a sustainable energy future for Egypt and the entire Mediterranean region. I would like to conclude my notes by congratulating the World Energy Council and EEHC for the selection of such interesting and timely topic for debate, and would like to thank again all attendants for being here today. I wish you all a very fruitful exchange and look forward to the outcome of today's discussions.