

Energy Transition



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SCROLL DOWN

THE OMAN ENERGY ESG FORUM SOLAR PANEL SUPPLY CHAIN EXCLUSIVE SOUNDINGS

“Oil Companies Now Seeking to be Part of the Energy Transition!”

**Dr. Raad Alkadiri, Managing Director,
Energy, Climate & Resources, Eurasia Group**

They recognize this pressure on them from their shareholders and from the financial community to make changes in their business, to contribute to the reduction of emissions and the overall transition. What we are seeing is companies adapting to will and companies seeking to, in some cases, reinvent themselves. Companies are looking at technology and seeking to use technology as a means of reducing the emissions of their operations to decarbonize hydrocarbons, looking at scope 1 and scope of their emissions. They are seeking to make themselves the cleanest producers and see that additional benefit on top of companies seeking to be the cheapest or the most efficient. That's an added element to the equation. Some of the other companies, especially European ones, are moving away from molecules to electrons. What they can do is go down the values of transforming themselves into energy companies, into providers of a broad range of energy, including renewables. So, the strategies are somewhat divergent, but the direction is clear, and it's a recognition that energy transition is an issue that companies need to address. It's going to be important to their long-term survival and that investors on their finances as well.



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Dr. Raad Alkadiri, Managing Director - Energy, Climate & Resources, Eurasia Group

Energy crunch solution – no longer an oil and gas turf

The solution to the present energy crunch doesn't just lie in oil and gas. It lies in balancing those oil and gas production and investment with balancing investment in renewables. What we will have, is a period of volatility and uncertainty, but investment continuing to go into different types of energy. What we are seeing in the short term is that the money markets are really looking to see where they can get the greatest return on investments with oil prices at the current levels. But I think the sentiment is going to depend in the longer term on government policy, and a lot of it is going to do with climate, to do with disclosure and with balancing portfolios to meet demands of their own channel and their own investors, greater diversification, and more focus on climate issues. What we are going to see certainly is some money coming back into oil in the short term. Whether that goes into long term investment is a bigger question. There's a difference right now between making money out of volatile markets and high oil prices and investing in the long term when the demand picture is uncertain.

Investing in oil and gas important in managing energy transition

One of the lessons of the last year is that investment in oil and gas and production of oil and gas is going to be important in terms of dampening out the disruptions of energy transition. And more importantly, there's a willingness by all those companies to invest in technology, to invest their capital in ways of making the product cleaner. That would seem to point towards a debate that should be not binary, but rather include all. I don't think we are there yet. One of the outcomes of this present energy crunch may give a greater realization on the importance of oil and gas in managing energy transition, as opposed to how oil and gas is seen, which is somehow being a blockage to energy transition. ■

**Paraphrased Comments*

**“COP28 will be the UAE’s
most important event in 2023”**

**His Highness Sheikh Mohammed bin Rashid Al Maktoum
Vice President and Prime Minister of the UAE and Ruler of Dubai**

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WHITEPAPER

Q4 2022

MIDDLE EAST & NORTH AFRICA Climate Finance Ambition Ramps Up

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REPORT

CHINA CURRENTLY DOMINATES GLOBAL SOLAR PV SUPPLY CHAINS

Global solar PV manufacturing capacity has increasingly moved from Europe, Japan and the United States to China over the last decade.

China has invested over USD 50 billion in new PV supply capacity – ten times more than Europe – and created more than 300 000 manufacturing jobs across the solar PV value chain since 2011. Today, China’s share in all the manufacturing stages of solar panels (such as polysilicon, ingots, wafers, cells and modules) exceeds 80%. This is more than double China’s share of global PV demand. In addition, the country is home to the world’s 10 top suppliers of solar PV manufacturing equipment. China has been instrumental in bringing down costs worldwide for solar PV, with multiple benefits for clean energy transitions. At the same time, the level of geographical concentration in global supply chains also creates potential challenges that governments need to address.

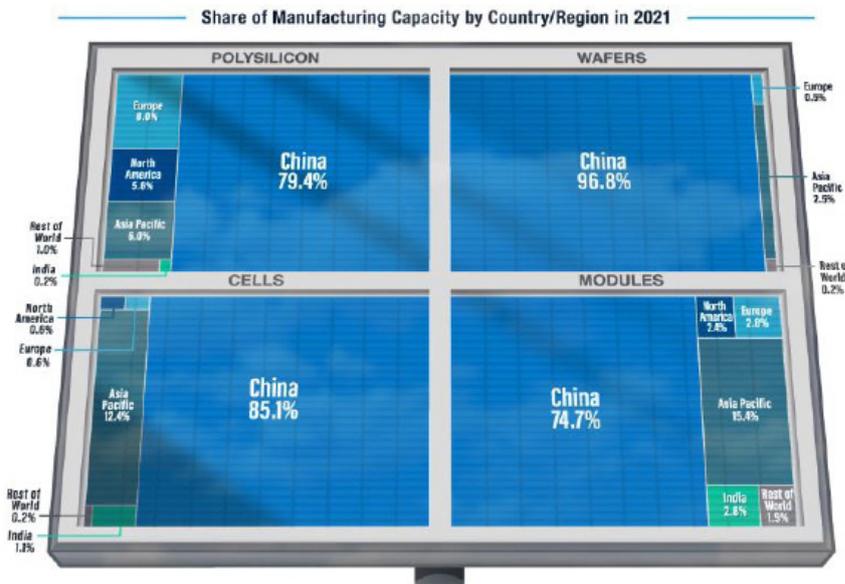
Government policies in China have shaped the global supply, demand and price of solar PV over the last decade.

Chinese industrial policies focusing on solar PV as a strategic sector and on growing domestic demand have enabled economies of scale and supported continuous innovation throughout the supply chain. These policies have contributed to a cost decline more than 80%, helping solar PV to become the most affordable electricity generation technology in many parts of the world. However, they have also led to supply-demand imbalances in the PV supply chain. Global capacity for manufacturing wafers and cells, which are key solar PV elements, and for assembling them into solar panels (also known as modules), exceeded demand by at least 100% at the end of 2021. By contrast, production of polysilicon, the key material for solar PV, is currently a bottleneck in an otherwise oversupplied supply chain. This has led to tight global supplies and a quadrupling of polysilicon prices over the last year.

[READ FULL REPORT HERE](#)

Source: IEA Executive Summary

WHO CONTROLS THE SOLAR PANEL SUPPLY CHAIN?



Source: IEA

EXCLUSIVE SOUNDINGS



ENERGY SKILLS: “The energy sector in Oman is leading all the efforts with respect to the development of the workforce. And it’s the sector that really offers a lot of job opportunities and help the country to create more jobs. Now again, we are going to play a major role with renewables....We want to make sure all the skills needed are captured in our national occupational standards. We don’t want to miss the bus or the train. Our vision is to make sure we have all the resources available to supply all the new projects on green hydrogen and solar, wind, and so on.”

AbdulRahman Al Yahyaei
CEO, OPAL

Source: Oman Energy ESG Forum
November 22, 2022

Daily Energy Markets Interview Series

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HYDROGEN ‘FULL COURT PRESS’

Dr. Firas Al-Abduwani

Acting Managing Director
HYDROM (Hydrogen Oman)



Series Supported By:


TUESDAY /// NOVEMBER 29th /// 11:00AM (UAE)

ENERGY SUSTAINABILITY: “We have seen a lot of volatility in energy markets, and it has brought this new trilemma back on the table, which is about security, affordability, and sustainability. Two years ago, we were talking about sustainability and climate. Now we are talking about all three, and the last 12 months has been a consummate lesson in managing all three KPIs. I think what underpins that for energy companies is sustainability is here to stay. Climate change is real, and our ability to manage that is critical.”



Steve Phimister
Managing Director, PDO

Source: Oman Energy ESG Forum
November 22, 2022

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COP27: “One issue which crept up on the meeting was what the role of fossil fuels is going to be in the energy transition and whether they should be phased out completely. That never got across the finish line. The EU tried very hard, getting a coalition of almost 100 countries together that said they will establish this loss and damage fund in exchange for language that would indicate a phase out of all fossil fuels. But that messaging was adamantly opposed by countries like Russia and Saudi Arabia, and even the US which came in with a final offer to phase out ‘unabated’ fossil fuels.”

Bill Spindle

Climate and Energy Editor, SEMAFOR

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