

**Plenary Session A:
Opening Ministerial Segment
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for Renewable Energies, Bonn



VOICES FROM THE REGIONS

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Renewable Energy for Sustainable Development : A Global Challenge

Your Excellencies, Delegates, Ladies and Gentlemen :

It is an honour and a great pleasure for me to address this distinguished audience today.

Ladies and gentlemen :

The future prospect for global economic development is critically vulnerable due to our high dependence on fossil fuels. This dependency will increase greatly over the next decade. To increase our global energy security in the long-term, we cannot simply search for more conventional energy sources. We must now rapidly expand the use of renewable energy technologies. At the same time, application of small-scale modern technologies for utilizing solar energy, wind power, hydro-power and bio-resources in the local communities not only reduce energy poverty, but also help those communities leapfrog to more environmentally friendly technologies.

It is forecasted by a major oil company that by the middle of the 21st century, renewable energy, in its various forms, will be supplying half of the world's energy needs --- an amount which is roughly equivalent to all our energy consumption today. We are now at the dawn of a major revolution in our energy systems. Nevertheless, the projections of various sources show that over 90% of the *incremental* energy the world will consume through 2030 will remain deriving from fossil fuels if we simply let markets run along the business-as-usual path. In other words, our

energy future depends on what we do now. The future of our next generations will depend greatly on our collective vision and actions today.

Ladies and gentlemen :

Utilization of many modern renewable energy technologies is being held back from achieving full market potentials due to a number of market failures and barriers. The challenge for all of us is to develop and implement appropriate policy framework that rectifies these market problems. It is only through “strategic policy interventions” can renewable energy move from the margin of energy supply into the mainstream.

First of all, governments must set national goals and targets for renewable energy development and application. Secondly, in order to stimulate a broad application of renewable energy, we cannot simply rely on providing grants and subsidies for purchasing equipment on project-by-project basis but must create sustainable markets for renewable energy technologies. This calls for market-based mechanisms to enhance the efforts of private businesses and local communities. This also includes mechanisms to encourage partnership and ownership by grass-root local communities in renewable energy projects.

As an example, in Thailand, the government has set a target to increase the share of renewable energy from the present level of 0.5% to 8% by the year 2011. In order to bring renewable energy into the mainstream of energy supply, national Renewable Portfolio Standard (RPS) is stipulated. There is now a regulatory requirement that new investment in power generation capacity must set aside 4% of capacity for developing renewable energy sources additional to the investment in conventional energy sources. Such policy initiatives are necessary to kick start a viable domestic demand for renewable energy technologies. Without a ready market, commercial production and utilization of renewable energy technologies is unlikely to take place.

Another major barrier to the wider application of modern renewable energy technologies is access to financial resources. This is not simply about access to affordable financing on the part of energy users. Industrial production of many renewable energy technologies faces many barriers to investment, including a weak or a lack of capital market for financing or investing in technology. It is, therefore, important to eliminate these barriers and develop needed support mechanisms.

Lastly, we need policy measures to raise our knowledge and capability, both in terms of human resource development and technological development. In particular, much greater

“commercially driven R&D” is needed to further bring down the cost of renewable energy technologies and to generate a broader set of more efficient technology choices. We cannot meet future energy challenges if we rely simply on *today’s* technologies. New major development usually requires radical innovation. Some of these technology development projects may have to employ highly advanced new knowledge in a wide range of fields from bio-technology to nano-technology. They may involve both the private and academic sectors, and call for international co-operation in applied and basic research, as well as business joint-venture and international technology transfer.

Ladies and Gentlemen :

Renewable energy for sustainable development is a global challenge. What we are referring to and aiming for is impossible to achieve unless national leaders and international organizations as well as business and local communities work together to formulate sound policy frameworks within which major changes can take place. We need global co-operation in advancing our understanding and knowledge relating to technology innovation, development and deployment. We need joint research activities, information exchanges, technology transfer and various kinds of technical collaboration. And we also need partnership in realizing the emerging businesses and investment opportunities for renewable energy. But most important of all, we need to think outside conventional mind-sets, and act beyond our national boundaries. For example, let us imagine what would happen if Thailand and some small countries in Asia work with China to influence some automobile transnational companies to produce cars that can run on bio-fuels for their Asian markets.

Ladies and Gentlemen :

I hope that the outcome of this Conference will form an important foundation for major renewable energy programs and help guide humanity on sustainable paths.

Thank you.