Excerpt from RenewEconomy (Australia), May 2, 2012
http://reneweconomy.com.au/2012/the-week-in-cleantech-and-carbon-emissions-reality-check-26693

The week in cleantech and carbon: Emissions reality check

The clean energy sector can be a capricious beast, all sunny investment one moment and dire outlook the next. There was a reminder for ministers from 23 economies – representing 90 per cent of global renewables and efficiency investment – at the Clean Energy Ministerial in London last week that the sector's progress to date is still not sufficient to address the climate change challenge.

The International Energy Agency warned that under current policies, carbon dioxide emissions will nearly double by 2050. "This would likely boost global temperatures by at least six degrees Celsius," IEA deputy executive director Richard Jones told the conference, an eventuality that "would confront future generations with significant economic, environmental and energy security hardships".

The main outcome of the Ministerial was a raft of initiatives to ramp up energy efficiency, which the IEA said was lagging well behind the deployment of renewable power. Coincidentally, energy efficiency was the only sector in the WilderHill New Energy Global Innovation Index, or NEX, to rise last week, gaining 2.2%. The NEX saw a moderate overall loss, retreating less than 1% over the five days.

A sideshow at the Clean Energy Ministerial – at least for the UK media – was whether or not Prime Minister David Cameron would make a long-awaited speech supporting the green economy. Whether his seven-minute, seated effort constituted the keynote some had been hoping for, Cameron had reassuring words for the sector, saying he "passionately" believed renewable energy is "vital to our future" and "good business too". This came as a new YouGov poll showed that nearly nine out of 10 people in the UK want the government to increase the use of domestic renewable energy.

There were some sunny investment announcements too. Cameron called for the North Sea to become the site of a "second industrial revolution" after announcing that more than 20 companies had signed up to a vision for it to become a hub for offshore wind and carbon capture and storage – provisionally dubbed Norstec after Europe's Desertec solar initiative. The prospect of a North Sea supergrid took a further step forward as the grid operators of the UK and Denmark last week launched a feasibility study for a power interconnector.

Grid connections for offshore wind turbines have emerged as a major limiting factor in Germany's expansion of renewable energy following its withdrawal from nuclear power after Fukushima. The country aims to have 25GW of offshore wind by 2030 but several firms have faced delays in hooking up new turbines. The German government last week said it was in talks with state-owned development bank KfW to expand support for offshore wind to grid operators such as TenneT to connect up projects. The KfW's EUR 5bn offshore wind fund should be ideally placed for this purpose, as the first two projects to draw upon it used only a bit more than half the financing allocated to them.

The major deals of the week also featured the wind sector. German utility Eon awarded a GBP 736m (USD 1.2bn) cable contract for its 230MW Humber Gateway wind farm to UK firm Balfour Beatty. Duke and Sumitomo finalised USD 353m in financing for two wind farms – with combined capacity of 299MW – they jointly own in Kansas. And Brazil announced that of the 52GW of power projects registered for two capacity auctions later this year, about half is comprised of wind farms.

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