

Greener Pastures
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By Gal Luft

Three months ago, prior to this year's Group of Eight (G8) meeting, President Bush surprised the world when he called for setting a global goal for reducing greenhouse-gas emissions, replacing the Kyoto Protocol which will expire in 2012. This month, at the Asia-Pacific Economic Cooperation meeting, he adopted the Sydney Declaration on Climate Change, Energy Security and Clean Development, and this week he will follow up on his call by playing host to the first Major Economies Meeting on Energy Security and Climate Change, which, in addition to the G8 members, will include Australia, Brazil, China, India, Indonesia, South Korea, Mexico, and South Africa.

Convening the countries that together account for around 90-percent of the world's emissions of greenhouse gases and 70-percent of the world's oil consumption provides a unique opportunity for the U.S. to assume a leadership role in dealing with the security of energy supply and the environmental impact of energy demand. But contrary to popular thinking, energy security and greenhouse-gas reduction are not complementary issues, and many of the technologies and policies which could assist in solving one could well be an impediment to the other.

Some of the summit's invitees exemplify how energy-security concerns breed policies that environmentalists consider devastating. During the apartheid years, South Africa faced economic sanctions, which threatened its oil imports. The country addressed its energy challenge by building coal-liquefaction facilities. Today, coal-rich countries like China and the U.S. eager to cut petroleum dependence are increasingly interested in similar coal-to-liquids technology, which is profitable as long as crude oil remains above \$45 a barrel. But, for environmentalists, using coal to displace oil is a nightmare scenario, as coal-derived fuel produces twice as much CO₂ as petroleum-based fuel. Coal is not the only source of energy that improves energy security while increasing CO₂ emissions. Canadian tar-sands deposits are estimated at 1.7 trillion barrels of crude oil, but the environmental impact of extracting them far exceeds that of conventional oil.

Another invited nation whose efforts to address its energy-security problem have upset environmentalists is Indonesia. After recently turning into a net oil importer, the country began burning rainforests to create palm-oil plantations for biofuels. This released such vast amounts of CO₂ that the country turned into the world's third biggest emitter after the U.S. and China.

While some put greater emphasis on energy security at the expense of the environment, others are willing to sacrifice energy security in order to address environmental concerns. The prime exhibit here is Germany. As this year's leader of the G8 and as president of the EU, German chancellor Angela Merkel named confronting climate change as her country's top priority. She has already succeeded in getting the 27 European Union governments to agree to collectively cut greenhouse-gas emissions by 20-percent by 2020. Spearheading the effort, the German government recently announced that it will seek to totally phase out the country's entire coal-mining industrial sector by 2018. It also intends to phase out its nuclear-power industry by 2020 (this despite the fact that nuclear power plants do not emit CO₂). Just recently the German environment minister called for seven of the country's 19 nuclear power plants to be closed down with no plan to build new ones. These are astonishing decisions considering the fact that 52-percent of Germany's electricity comes from coal and 29-percent from nuclear energy. Germany is taking a huge gamble—verging on recklessness—by attempting to rid itself of 81-percent of its power-generation capacity and replace it with Russian natural gas and a slew of renewable-energy technologies which are not yet competitive. In the name of earth stewardship the German government has decided to put its economy at the mercy of Russian president Vladimir Putin, who has shown no compunction in using energy as a geopolitical weapon.

President Bush's biggest challenge in squaring security and climate-change considerations will be in the case of India. India's growing demand for electricity puts it on the horns of dilemma: As

owner of 10-percent of the world's coal reserves it could provide for most of its own power needs. Coal power for one billion Indians means a lot of CO₂. Yet, security-minded people are even more concerned about India shifting to the cleaner alternative to coal, natural gas. Should India decide to power its turbines with natural gas it is likely to become increasingly dependent on neighboring Iran, the world's second largest natural gas reserve. The administration should be aware that pressuring India to reduce its emissions may slow down the melting of the ice-caps, but such a policy will expedite the melting of the West by sending India right into the welcoming arms of Iran, undermining Western efforts to isolate Iran economically.

All of these cases show how difficult the tradeoffs between climate change and energy security can be. If there is an inconvenient truth relating to our energy system it is that we may not be able to address both issues in one strike, and too much emphasis on one could worsen the other. This is not to say that there are no policies which could successfully address both. Investment in efficiency, conservation, and clean technology is desired and should be promoted, but if one is to look at the big picture, such remedies cannot solve problems of such magnitude. The challenge the Bush administration will face in the coming summit is in navigating among a group of countries which don't share the same priorities, bringing all to agree on the optimal balance between the two problems. Considering the divergence of interests, don't hold your breath.

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