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# The Arab royal who's going off oil

Oil-rich Abu Dhabi breaks ranks with its petro-giant neighbours and commits to a sustainable energy future at the World Future Energy Summit

#### **Terry Macalister**

guardian.co.uk, Tuesday 20 January 2009 11.59 GMT

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Abu Dhabi at night. The desert state has committed to a 7% renewables target by 2020. Photograph: Reuters

Abu Dhabi announced at a summit of world leaders on <u>renewable energy</u> yesterday that it would become the first petro-driven economy to make a significant commitment to renewables – and it is partly thanks to Prince Charles. Sheikh Mohammed bin Zayed Al Nahyan, crown prince of Abu Dhabi, has decreed that 7% of power will come from green energy sources by 2020. The Middle East nation holds around 8% of the world's <u>oil</u> reserves and derives the vast bulk of its national income from fossil fuels, but while other OPEC oil cartel members see renewables as a threat, it has taken a different view.

Sultan Al Jaber, chief executive of the <u>state-owned future energy company Masdar</u>, which will oversee the green drive, said at the World Future Energy Summit in Abu Dhabi that it was natural tomove into this new sector. By doing so Masdar would "provide a comprehensive solution to the world's energy challenges and maintain Abu Dhabi's position as a leading supplier of energy to the world." The Gulf state, a part of the United Arab Emirates, also wants to differentiate itself from neighbour Dubai, and diversify its economy, believing a "green" infrastructure will help its image as a new tourist destination.

Abu Dhabi has already put itself forward as a possible location for the headquarters of a planned International Renewable Energy Agency being promoted by Germany. "Many [Opec members] see renewables as a threat but the crown prince sees them as an opportunity," said a source close to the Abu Dhabi state. "He knows that the oil will eventually run out and he wants to ensure there is something left for future generations," he added.

Prince Charles, who has close links to the Gulf royals, has been actively encouraging the green initiative behind the scenes, the source added, explaining that the Masdar executives had been invited to Buckingham Palace last year.

Prince Charles is already a patron of the Masdar City project which aims to build the

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world's first carbon-neutral city in Abu Dhabi. He made an appearance by holographic video link at the first <u>World Future Energy Summit</u> held in the Gulf state last year. Prince Andrew has also become involved and was present at the meeting in the throne room at Buckingham Palace.

Masdar expects to mainly use solar energy to reach its 7% targets but is also looking at <u>wind</u> and even geothermal power, where heat from the ground is used as a power source. Masdar has already built links to Britain by investing with E.ON of Germany and DONG of Denmark in the <u>London Array wind farm project of the coast of Kent</u> which is tipped to be the biggest of its kind in the world.

The Abu Dhabi state stepped in when Shell pulled out of the £1bn project. The Anglo-Dutch oil group said it was concentrating its wind investment in the US, a move followed by BP. Masdar has \$15bn worth of state-funding and has already started to build up its <u>solar power</u> business through a joint venture with Germany, a leader in the photovoltaics field. A new company, Masdar PV, will build manufacturing plants in both Germany and Abu Dhabi that will serve the growing demand for solar power, which is beginning to compete on a cost basis with traditional energy sources, even without subsidies.

Dutch solar firm Econcern claimed today at the summit that prices of solar panels would half in the next five to six years. It claimed the global industry had already met the International Energy Agency's target of 10GW of installed power by 2020.

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