

## **Ministerial Meeting of the Americas on Energy and Climate**

### **Speech by the Secretary General, José Miguel Insulza**

April 16, 2010

It is my distinct honor and pleasure to welcome you all here to this Ministerial on Energy and Climate in the Americas, and to the Headquarters of the Organization of American States (OAS), the “House of the Americas.” I would like to thank U.S. Secretary of Energy, Dr. Steven Chu, for taking the initiative to convene this gathering, as well as the governments of the member States of the OAS for responding so positively to his call. The solidarity and spirit of cooperation that have given rise to this meeting will help to promote the energy policies that our Hemisphere needs to boost development and meet the pressing environmental challenges that confront our region and the planet.

Energy is, without question, a key engine of development. Throughout history, people have used energy to satisfy a range of needs. Without energy, few of the benefits of modern civilization would have materialized. If we are to adequately address those challenges confronting our region – those issues which are central to the OAS’ mission, including, economic development, equality, social exclusion and democracy – we must take a careful look at the energy situation in our

hemisphere and support those initiatives that result in reliable, safe, and affordable sources of energy.

As the U.S. Secretary of State, Mrs. Hillary Clinton, suggested yesterday, the Americas is positioned to lead the world in a clean energy revolution, given its abundance of both renewable and nonrenewable energy resources and the innovative and hard working character of its peoples.

In the area of fossil fuels -- Brazil, Canada, the United States, Mexico and Venezuela are among the top 20 countries in the world in terms of oil reserves. Further, twenty countries in the region possess substantial natural gas reserves.

In terms of renewable sources of energy -- More than 60 percent of the electricity generated in Latin America already comes from renewable sources. Brazil, Canada, and the United States are the biggest producers of hydroelectricity in the world, after China. Virtually all the electricity consumed in Paraguay is renewable, as is 70 percent of Venezuela's and 93 percent of Costa Rica's. In 2008, the leaders in the biofuels industry -- Brazil and the United States -- accounted for almost 90 percent of world ethanol output. Yet much of the hemisphere's potential for renewable energy remains untapped. This includes some of the largest reserves of geothermal, biomass, solar, and wind potential. Our challenge here today is to

facilitate a transition to a more sustainable energy reality which makes use of all of our energy resources in a sustainable manner.

This enormous potential of our Hemisphere stands in stark contrast to what today must still be described as a shortage in the supply of energy. While many countries in the region have successfully expanded their electricity networks and have extended electricity generation and distribution systems to many remote areas, the fact is that today some 40 million people still have no access to electricity. The lack of electricity translates into inefficient sanitation, weak education systems, and the inability to develop productive, income-generating activities.

The small island states of the Caribbean, while benefiting from almost universal electricity coverage, face unique challenges related to affordability and sustainability of energy supplies. Most rely on fossil fuels to supply both their electricity and transportation needs. Such high dependence on imported fossil fuels is taking a significant toll on these nations' economies.

Climate change further exacerbates these challenges, causing sometimes drastic and destructive changes in rainfall and drought patterns, disrupting agricultural and livestock production cycles, and triggering financial losses in rural areas. Droughts also affect the generation of hydroelectricity by lowering water levels in reservoirs.

These are just some of the energy related challenges facing the nations of the Americas. Overcoming them requires political will, creativity, persistence and patience on the part of the governments and peoples of the Americas. These challenges demand a sustainable response; one that ensures the efficient use of energy resources and limits the emissions of carbon that contributes to climate change. As Secretary Clinton suggested, our response is as much about providing for future generations as it is about meeting our current needs.

So, how do we tackle the energy challenges facing our hemisphere?

First, the region must redouble its efforts to improve energy efficiency. In Latin America energy consumption has grown faster than the region's GDP. Many industrialized countries have successfully decoupled economic growth from energy inputs by increasing efficiency and productivity. Secretary Chu, yesterday you suggested that there remains a great potential – as much as a factor of four in some cases –for reducing energy requirements while still expanding economic growth. Given that you are the one with the Nobel Prize in physics, I won't challenge this assertion; rather I will challenge my colleagues from the region to find ways to make this a reality. Secretary Chu highlighted several specific measures -- including efficient roof tops and high efficiency refrigerators -- that can easily be

adopted throughout the region to reduce energy consumption. Such measures certainly will help to reduce pollution, minimize pressure on natural resources, and free up capital for investment in other things besides energy. Let us not forget that a kilowatt saved is almost always cheaper than a kilowatt generated.

To further address the challenge posed by poor energy supply, the countries of the Americas must also pursue and promote integration of their energy systems to the extent possible. There are several valuable experiences in this area, all of them based on solidarity and complementarity, which are instructive for us. One such case is the Central American Electric Interconnection System – SIEPAC – which connects the countries from Panama to Guatemala. Another, as you heard yesterday, is the current effort to further connect Colombia and Panama. The potential also exists for a robust connection to Mexico, all of which will help fulfill the dream of connecting South, Central, and North America.

In the Caribbean, several countries are considering bilateral arrangements to interconnect their electricity systems; and there are discussions underway at the regional level about the possibility of constructing an electricity grid to cover several island states. Again, the dream would be for broad inter-connection throughout the Caribbean. Secretary Chu, you have previously highlighted the

Energy and Climate Partnership of the Americas initiative, also known as the ECPA, that the OAS is working on together with CARICOM, CARILEC, The World Bank and the countries of the Caribbean to explore the potential for this regional interconnection. We welcome the inclusion of the US territories, including Puerto Rico and the US Virgin Islands, along with the territories of France and The Netherlands, as we seek to maximize the potential for linkages. Inter-connection will help the region stabilize its electricity markets and by linking all these countries, it has the potential to facilitate the development of large scale renewable energy alternatives, including geothermal and wind, in these small markets for transfer to larger markets where new power is desperately needed.

Energy integration has the potential to boost economic development, encourage more efficient and rational use of resources and enhance member States' capacity to market energy products and services. I hope that today's meeting will provide an opportunity for you, the Ministers of Energy from the Americas, to analyze new forms of cooperation that can promote greater integration.

Further, we must identify and develop sustainable sources of energy. The OAS is currently supporting many efforts with our member States to do just that. Since 2007, we have been working with the Governments of Brazil and the United States

to implement the bilateral accord between these two countries to promote the development and use of biofuels. The OAS is helping seven countries of Central America and the Caribbean to benefit from the wealth of knowledge developed in the US and Brazil around biofuels. By transferring know-how and technology, this US-Brazilian partnership can help to build local ethanol and biodiesel production to meet local transportation fuel needs.

In the Caribbean, the OAS is working with several countries to expedite the transition to cleaner forms of energy. We are supporting efforts among the OECS countries to prepare and adopt National Energy Policies. These policies are and will continue to be based on a sustainable approach to energy, including maximizing the development and use of renewable energy solutions. Policies are critical for an energy transition. But, we are not stopping there. Once the policies are adopted, such as in St. Vincent and the Grenadines, the OAS then works with the government to analyze the potential for geothermal and wind development, and will train local officials in the governance and regulation of these systems.

Working with the Renewable Energy and Energy Efficiency Partnership (REEEP), the OAS has supported many projects designed to expand sustainable energy

markets in Brazil and Mexico. Together we have helped develop innovative policy tools and financing mechanisms that meet the unique needs of these markets.

Although these various efforts cannot and do not resolve all the challenges we face in developing renewable energy solutions, I believe that they are important steps toward developing broader solutions to this problem. They also demonstrate the region's openness to exploring a wide array of alternatives.

Ministers and distinguished guests:

At the Summit of the Americas held in Trinidad and Tobago last year, President Obama stated that “we must come together to find new ways to produce and use energy,” and he proposed “the creation of a new Energy and Climate Partnership of the Americas [the ECPA -- to which I've already referred--] that can forge progress toward a more secure and sustainable future.” The OAS has been designated to coordinate the ECPA Clearinghouse. We are happy to announce that the ECPA website is up and running – [www.ecpamericas.org](http://www.ecpamericas.org). Our team will begin reaching out to you and your staff to collect information and best practices that may be shared with the rest of the region. We will be monitoring the development of the many ECPA initiatives that have been launched or will be launched as a result of this ministerial. We look forward to receiving your innovative partnership

ideas and will work with you to establish an extensive network on sustainable energy and climate that meets the needs of the Americas. As we were reminded yesterday by Secretary Clinton, the Partnership will work to tackle challenges in the five pillar areas including: Energy Efficiency, Renewable Energy, Energy Poverty, Infrastructure, and Clean Fossil Fuels. She further challenged us to consider climate adaptation and sustainable landscapes (forestry and land use).

We are at a historic crossroads today, where the nations of the Americas must unite to radically transform the way in which we produce and utilize the energy available to us. The time has come to embrace a new technological and industrial revolution, rooted in the principles of sustainability and the promotion of renewable energy and energy efficiency as the mainstays of development. Our governments must join forces to combat the scourge of energy shortages and foster the development of infrastructure that can facilitate the use of modern and climate friendly forms of energy.

I take this opportunity to invite you to use the conclusions of today's dialogue as the starting point for the discussions that will be held at the *Second Inter-American Meeting of Ministers and High Authorities on Sustainable Development* in the Dominican Republic in October of this year. I trust that when

our Ministers responsible for Sustainable Development and Climate Change meet in the Dominican Republic they will be guided by the considerable energy and climate change advances resulting from our discussions here in Washington. Further, we have a unique opportunity as a hemisphere to set an example for the rest of the world when it gathers in November at the *Sixteenth Conference of the Parties to the Climate Change Convention*, to take place in Cancun, Mexico. Moreover, I hope that these talks will translate into new and innovative energy and climate solutions, so that when our heads of state gather again in Colombia for the Summit of the Americas in 2012, we may proudly say that we took up the challenges laid out for us in Trinidad and we have made great progress toward a more sustainable energy future.

In closing, I believe that all in the nations and peoples in our Hemisphere should have access to clean, safe, sustainable energy for their development and their survival. Of course, your governments cannot and should not forgo developing the energy potential of your individual countries. But, I hope that we can all work together to do so responsibly, for the good of our children and their children, as well as for the good of our planet.

.....

So welcome once again to this, the House of the Americas and I wish you the best in your discussions today.

Thank you.

