

March 26, 2012 5:01 pm

Shell risks losing out in green energy drift

By Pilita Clark, Environment Correspondent

Royal Dutch Shell, one of the world's biggest oil and gas companies, could "wither away and die" if it acts too slowly to address global climate pressures, one of its executives warned on Monday.

"If Shell gets stuck in a fossil fuel business when the world has moved beyond it and wants low carbon energy at large scale, and other companies can do it economically and acceptably, then I would have thought Shell could die," said Martin Haigh, who looks after energy modelling in Shell's scenarios team.

The company was still some decades away from such a prospect, Mr Haigh told a large international environmental science conference in London. But it faces equally stark risks if it tries to tackle environmental risks too fast, he said, explaining to the Financial Times later that it had invested in loss-making wind and solar businesses "maybe a bit early", which made it hard to continue such efforts.

"The timing is very difficult," said Mr Haigh, whose earlier comments were interrupted by applause for two protesters who climbed on to the conference stage as he was speaking and unfurled a banner demanding Shell stop "green washing" – a claim that Shell is not as green as its marketing suggests.

The interruption was a rare moment of drama in a sombre series of presentations at the Planet Under Pressure conference being held to provide "scientific leadership" to the UN's Rio+20 environmental summit in June.

The summit comes 20 years after the 1992 Rio de Janeiro "earth summit", which produced groundbreaking global conventions tackling biodiversity and climate change.

But since then, said successive speakers, there has been a failure to arrest the earth's lurch into the "Anthropocene", a period in which humanity's impact is deemed to be on par with that of ice ages and other geological events that previously shaped life on the globe.

As emissions of carbon dioxide, the prime greenhouse gas, have risen along with economic growth in much of the world, global temperatures have risen, Arctic ice levels have retreated and threats have grown for animal species, tropical forests and ocean life.

“The challenges we face today are exactly the same challenges as in Rio 20 years ago, we just have not acted,” said Sir Bob Watson, chief scientific adviser at the UK’s Department of Environment.

Action would have to be taken in the next 10 years, said Will Steffen, executive director of the Australian National University’s Climate Change Institute, adding: “Some people have talked about a possible collapse.”

Professor Diana Liverman of the University of Arizona said there had been some positive developments, such as a decline in energy intensity and a suggestion that global population growth will start levelling off.

But several speakers were gloomy about the Rio+20 summit’s prospects. The agenda countries had produced so far was “vague” and “weak”, said Carlos Joly, director of policy in Brazil’s science and technology ministry. And it was still unclear how many heads of state from large economies would attend.

Printed from: <http://www.ft.com/cms/s/0/2f9c6a86-7752-11e1-827d-00144feab49a.html>

Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others.

© **THE FINANCIAL TIMES LTD 2012** FT and ‘Financial Times’ are trademarks of The Financial Times Ltd.