

World far from achieving environmentally sustainable energy systems

The World Energy Council's (WEC) global ranking of country energy sustainability performance has revealed that most of the over 90 countries assessed are still far from achieving fully sustainable energy systems.

South Africa ranks 57 in WEC's Energy Sustainability Index which highlights that coherent policies are crucial to performance.

South Africa dropped by two places to rank 57, driven mostly by a sharp drop in energy security due to a decrease in the wholesale margin on liquid fuel and weak performance on the diversification of electricity production. The country struggles with all environmental indicators and has a very high level of energy intensity per capita.

Only operational projects reflected

Brian Statham, chairman of the South African National Energy Association (SANEA) and chairman of WEC's Studies Portfolio said South Africa's intention to introduce more renewables into the energy mix through the IPP programme would only reflect in the index once these projects were operational. Also, the latest census results reflecting an increase in the number of homes with access to commercial energy had been too late for consideration in the WEC study.

"We cannot be complacent since we are below the midpoint on all the energy dimensions," said Statham. "Crucial decisions on future energy supply must be made within the next few months if we are not to slip further down the scale."

The 2012 Energy Sustainability Index, published within the WEC's 2012 World Energy Trilemma report, "Time to get real - the case for sustainable energy policy", finds that most countries still have not managed to balance the energy trilemma. The WEC argues that countries must balance the trade-offs between the three challenges of the trilemma: energy security, social equity, and environmental impact mitigation, if they are to provide sustainable energy systems.

The index reveals that:

- Environmental impact mitigation remains a universal problem;
- Providing high-quality and affordable energy access remains a significant challenge for developing and emerging economies; and
- Countries at various stages of development struggle with energy security.

The top 10 performing countries in the WEC index are Sweden, Switzerland, Canada, Norway, Finland, New Zealand, Denmark, Japan, France and Austria, respectively.

Pierre Gadonneix, Chairman of the World Energy Council, says: "The message of the Energy Sustainability Index is clear: all countries are facing the challenge in their transition towards more secure, environmentally friendly, and equitable energy systems. What makes the difference is how they set their final goals, how they balance market economics and public policies, and how they design the smartest policies in order to promote efficiency and to optimise costs, resources and investments for the long-term."

Effective and coherent policies

Joan MacNaughton, executive chair of the World Energy Trilemma report, says: "Much still needs to be done to make our energy systems sustainable, but there is good news. While these top performers also tend to be richer countries, some less affluent ones do also outperform their economic peers. What distinguishes all these countries from the others is that they have more effective and coherent policies."

Mark Robson, Partner of Oliver Wyman, the global consulting firm Oliver Wyman which compiled the Index with the WEC, says: "Providing sustainable energy is the responsibility of both government and industry. As governments weigh up their countries' priorities, businesses must be assured that the economics of their investments won't be destroyed by changes in energy policy. This policy risk is a key factor holding back energy investments today. Therefore government and industry must engage in active dialogue about structuring policies that remain stable over time and are joined up with other policies."

[Download the World Energy Council's 2012 World Energy Trilemma report](#) and its [graphics](#).

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