

# On the way to true energy independence

**It is critical that we continue in the development of renewable energies, and not be seduced by the momentary, intoxicating enjoyment of the flow of gas to the Ashkelon Coast.**

Eitan Yudilevich

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(Translation from the Hebrew original Calcalist article)

The start of the flow of gas from the Tamar gas field has been rightly hailed as the beginning of Israel's energy independence. The topic is far from theoretical for Israelis, who pay dearly for a continuous rise in electricity prices (over 30% since 2011) and for the use of expensive fuels since gas has stopped flowing from Egypt.

The expected royalties from the gas following the adoption of the Sheshinski Committee's recommendations have become a source of hope, especially given the enormous present budget deficit in Israel. However, these royalties will not make the treasury instantly rich, and there is time for planning and legislation to ensure that the royalties serve appropriate causes (such as education, health, environment, and the like).

Still, there is one reason for concern, and that is the negative impact on the motivation to develop and adopt renewable energies. There is a new term called the "g-word", meaning cheap gas (especially shale gas in the United States) that competes with renewable energy in cost-benefit terms (Ernst & Young 2013).

One of the most vocal individuals warning of this danger is former U.S. president Al Gore. In his new book "The Future", he writes: "Years ago I was among those that recommended the greater use of natural gas as a bridge fuel to phase out coal.....However, it is increasingly clear that the net effect of shale gas on the environment may ultimately be inconsistent with its use as a bridge fuel".

An important lesson from the Egyptian gas crisis is that we cannot rely on a single energy source. For this reason alone it is important that Israel continue investing in renewable energies.

Furthermore, investment is worthwhile also for reasons of foreign trade and the creation of jobs. The OECD report on renewable energies points to a slow but continuous increase in the use of renewable energies, from an average of 4.8% in 1971 to 8.2% in 2011 (the use of renewable sources as a percentage of total primary energy supply). Israel still falls significantly below the average, at 4.6%.

A recently published report (CleanEdge 2013) presents an optimistic forecast for the continued growth of the global renewable energy market to over USD 400 billion in 2022. We can rely on this number as a realistic-conservative forecast if we take into account that in 2006, their forecast for 2015 was USD 167 billion. The world market left that number behind by 2012, when it approached USD 250 billion.

In the United States, President Obama declared a new target to double the production of electricity from renewable sources by 2020, as part of a general plan for energy security and the supply of clean energy. The program also includes a target for the significant reduction in the import of oil (half of what is imported today) by the end of the decade.

Since 2009, Israel cooperates with the United States in a technology R&D program on renewable energies, following legislation by the U.S. Congress and a decision of the Israeli government. To date, joint industry and academia projects have been financed at a total scope of approximately USD 25 million.

This is a relatively modest sum that has already led to impressive results, as attested to by statements of U.S. Congress members from both parties:”Collaboration between the American and Israeli private sector and academia will significantly enhance U.S. efforts to develop alternative technologies and increase energy efficiency, to the benefit of our national security”.

Israel has much to offer in the field of renewable energy and in the area of oil alternatives. It is important that we stick to the development of renewable energies, and are not seduced by the momentary and intoxicating enjoyment of the flow of gas from the Ashkelon Coast.

**The writer is the Executive Director of the BIRD Foundation, the Israel-US Binational Industrial Research and Development Foundation.**