Energy Nuggets
DAILY

A.M. EDITION, FRIDAY SEPTEMBER 15, 2023.

Petroleum is Going Nowhere

Says Professor Chidi Ibe at the 12th Emmanuel Egbogah Legacy Lecture

By IKECHI IBEJI

One of Nigeria's and indeed Africa's thought leaders on climate change and professor of oceanography and the blue economy, Professor Chidi Ibe has said that petroleum and its derivatives will still be the key energy source and driver of industrial, commercial, and power generation activities in the next 100 years and beyond.

The dominance of fossil fuels will remain, according to Professor Ibe, despite all the hullabaloo about petroleum, the energy transition hype, and the threat to eliminate fossil fuels by the various Conferences of Parties (COPs) following the Paris Agreement on Climate Change.

He was speaking yesterday in a Keynote Presentation at the 12th Emmanuel Egbogah Legacy Lecture Series, which was held at the Emerald Energy Institute, University of Port Harcourt.

The lecture series, inaugurated by Dr. Emmanuel Egbogah himself at the University of Port Harcourt in 2006, as part of his several interventions in the university, has been sustained in the last five years since his passing in 2018, by the Emmanuel Egbogah Foundation, where two of his former mentees - Emeritus Professor Wumi Iledare and Professor Joseph Ajienka hold sway.

Professor Ibe anchored his position on a number of fundamentals, including:

- He admits that fossil fuels have harmful emissions that need to be curtailed, but posits that renewable energy, which is supposed to be the substitute for fossil fuels has not gotten enough traction and is currently nowhere near taking over as the world's dominant energy source, despite the billions of dollars poured into it by the industrial west.

- The struggle for supremacy between the world's two leading economies – China and the United States of America, will always get in the way because, on the one hand, the recent ascent of the USA to the top spot as the world's largest producer of petroleum confers a number of advantages on her, while consolidating her energy security; and on the other hand, China is the undisputed leader in renewable energy technology and will benefit most from the continued propagation of renewable energy, including from accelerated components and equipment manufacture.

- Even the industrial West, who have sold decarbonization and sidelining of fossil fuels, have shown no commitment in that direction. For instance, Germany, Norway, the United States, and the United Kingdom are still neck-deep in petroleum production, with the US offering new oil and gas acreages to her big oil companies recently, while the United Kingdom has just commissioned a brand-new coal mine.

- There are wider geopolitical strategic interests that will impact the energy transition agenda. The latest example is the switch of European industrial nations back to coal and the delay of the decommissioning of coal mines and nuclear power plants by the United Kingdom, following the energy poverty they faced after Russia invaded Ukraine.

  In addition to the above, Ibe said that COP 26 in Glasgow was supposed to spell the death of coal. But major coal producers like India, China, Australia, Indonesia, and Poland watered down the resolution on coal. Similarly, major oil producers like Saudi Arabia, the United States, and the big International Oil Companies applied enough pressure to torpedo any serious threat to oil production.

- Professor Ibe also argued that if useful lessons were drawn from the transition from coal to petroleum (which has been ongoing for nearly a century), the focus would have been more on best practices. According to him, carbon capture utilisation and storage (CUSS) technology can help the world achieve net zero without threatening the petroleum industry. However, the industrial West opted for the decarbonization option because they wanted to dislodge the dominant oil producers from the Middle East and elsewhere as punishment for the 1970s oil shock arising from the ARAB oil embargo; and to prevent OPEC from exercising such influence on oil supplies at any other time.

- Professor Ibe chided African and G-77 countries for sending weak, and sometimes one-man delegations to the various Conferences of Parties on climate change, as against large delegations of experts from different energy subsectors coming from the industrialized countries. And while the African delegates shopped in the fancy stores of New York and Geneva, the experts from the West are crafting the resolutions of the meetings. This to him, is the reason the energy transition blackmail by the West is succeeding.

He said that energy transition is not new. There have always been transitions from one form of energy source to another. However, transitions always depend on the convenience of use of the fuel source. “We simply move from one fuel source to another. But the substituted source does not just go away”.

Meanwhile, during the event’s panel session, which was chaired by Professor Wale Dosunmu, a number of issues were thrown up, including multiple taxation, oppressive fiscal terms, poor governance issues, and abandonment of Nigeria by the IOCs. For instance, Mrs. Oluseyi Afolabi spoke strongly about the Petroleum Industry Act, which she blamed for the recent exodus of IOCs, especially from onshore fields in the Niger Delta.

She describes the law as oppressive and asphyxiating for business, with the IOCs handing back as much as 93 percent of their earnings to the Federal Government. Many of the IOCs are now moving to jurisdictions like Guyana and Namibia, where they are getting much better fiscal terms. Emeritus Professor Wumi Iledare countered that Guyana and many African countries just discovering oil are where

Nigeria used to be sixty years ago, and naturally they will be eager to hand over the acreages to the IOCs just as Nigeria did at the beginning.

According to Iledare, Nigeria is now a major oil province with enough expertise and competence to develop and enforce competitive fiscal laws.