



The energy challenge

The world will need huge amounts of additional energy in the decades to come, to meet the increasing demand, and especially to raise living standards in the developing countries. National supplies must be secured against stoppage, to ensure reliable energy supplies. At the same time, the energy must be produced in ways that are environment-friendly and good for society, not least in terms of how to handle emissions. This is the energy challenge. Stepping up to this challenge is quickly becoming one of the major touchstone facing our society – and our industry – this century.

There are three hard truths that make this challenge all the tougher:

1. Demand for energy is growing rapidly as several large countries are entering the most energy-intensive phase of their economic development.
2. Supplies of easily produced oil and gas will probably no longer keep up with demand after 2015. To meet this demand, the world has no choice but to use energy more efficiently, and increase the supply from other energy sources. This means more renewable energy sources: like solar, wind, and biofuel; more nuclear, more coal, and more oil and gas from hard-to-reach reservoirs and unconventional sources like oil sands.
3. As a result we will see an increase in CO₂ emissions from energy production. These emissions make up more than half the man-made emissions of greenhouse gases. At the same time, worries about climate change will increase.

How will the world tackle this challenge? Shell's energy scenarios describe two possible energy futures: Blueprint and Scramble.

EXERCISE 1: Describe the two energy scenarios in your own words, and describe your thoughts about them.

EXERCISE 2: What do you think we should do to meet the energy challenge? Describe what the energy industry must do, and how we as individuals can all help.

