

Corporate global leaders commit to 100% renewables

At the recent [World Future Energy Summit \(WFES\)](#), a group of the world's most influential companies – including IKEA, Nestlé and Swiss Re – argued there is a growing business case for investing in low carbon energy. As a result, these companies have joined the global [RE100](#) campaign to go 100 per cent renewable.



Credit: Solar Impulse/EPFL Claudio Leonardi

At a joint panel discussion at the energy summit – held at Abu Dhabi, United Arab Emirates (UAE) – business and policy leaders agreed that switching to renewable power is critical, not just for the long-term sustainability of their businesses but also to address the escalating risks of climate change.

Michael Liebreich, founder of [Bloomberg New Energy Finance](#), discussed the findings of a new report that found the manufacturing sector is among those currently making the greatest renewables investments – and getting the greatest financial returns.

Steve Howard, Chief Sustainability Officer, IKEA Group, said that investing in clean energy was fundamental to reducing risk and building a resilient business.

‘We took a US\$9 million hit to our business after Hurricane Sandy. Climate change is a real business risk. That, fundamentally, is why we decided to go for a full 100 per cent cover of our energy production from renewables.’

‘We now have 300 wind turbines. By the end of this year we should achieve 70 per cent of our energy production target. We are eliminating uncertainty over carbon pricing and our energy exposure.’

Increasing interest from big energy users will add to the transformation that is taking place in the power sector and continue to drive the global trend for renewables.

Michael Liebreich pointed out that when companies invest in renewables it increases their awareness of power consumption, with a knock-on effect of improving energy efficiency.

‘What I like about RE100 is the focus on demand-side generation. We need collegiate solutions like this which work out the demand and then start backwards on the solutions, starting with renewables first.’

IKEA and Nestlé are also investing in biomass production. Claus Conzelmann from Nestlé said: ‘In Mexico, all of our 15 factories source the majority of their energy from renewables. We are gradually switching over to biomass. Coffee grounds have a high thermal value and we are now using them as energy fuel in a number of factories.

‘Our motivation for investing in renewables is the long-term survival of our business, not a short-term payback,’ he added.

Swiss Re, one of the world’s largest reinsurance companies, was one of the founders of the RE100 campaign, which has already recruited 15 of the world’s leading companies to the goal of sourcing 100 per cent of electricity from renewable sources.

One of the RE100 campaign’s institutional partners is the International Renewable Energy Agency (IRENA). Dolf Gielen from IRENA said: ‘Governments alone do not have the funds available so the private sector is a key partner. The knowledge that the private sector has in this debate is invaluable.

‘The economic argument is there already. We see innovation as a critical component in success in increasing the demand for renewables.’

Emily Farnworth from The Climate Group said the RE100 campaign was growing fast, primarily because of the increasingly clear business case for adopting renewable power, and that she expected major companies in the Middle East – following the lead of UAE-based [Masdar](#) – will join.

‘The appetite for renewable power among corporates is increasing. We are seeing a massive rise in PV solar, and major investments in wind energy.

‘We are also seeing internal rates of return of up to 18 per cent on companies’ investments. The myth that renewable energy doesn’t help businesses to move forward’ is one that needs to be busted once and for all.’

Source: RE100

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