UNECE

PLEASE CHECK AGAINST DELIVERY

Keynote address

by

Ms. Olga Algayerova

United Nations Under-Secretary-General

Executive Secretary

of the United Nations Economic Commission for Europe

at the

OSCE 2018 Economic and Environmental Dimension Implementation Meeting

Vienna, 15 October 2018

United Nations Economic Commission for Europe
Palais des Nations, 1211 Geneva 10, Switzerland
Telephone: +41 (0)22 917 4144/3328
Email: executive.secretary@un.org

Excellencies, ladies and gentlemen, Good Morning.

I am pleased to join you today to consider your commitments in the field of energy in the context of the 2030 Agenda for Sustainable Development. At the UN Economic Commission for Europe (UNECE), we have been grappling this fundamental question as well for some time, and we are pleased to collaborate with you on related issues.

There is no commonly agreed definition of what sustainable energy is or how it will be achieved. At UNECE we speak of "energy for sustainable development" as more than just SDG7, because energy underpins the whole agenda. Analysis of our progress to date shows that much greater effort is needed.

We can speak of two gaps.

The first gap is between the commitments made and actions taken.

The second gap is between the commitments made, and what is really needed to achieve our goals.

Closing these gaps will require much bolder policy commitments,

transformative investments, and a willingness to embrace the range of technology solutions on a wide scale. Countries will try to meet their commitments in ways that reflect their unique national circumstances. Their choices will be made in the broader context of their economies as a whole, targeting not just access to affordable, modern, and clean energy but also quality of life and.

Next month, UNECE and its member States will come together in Kiev at the Ninth International Forum on Energy for Sustainable Development, to reflect on the implications of accelerating and re-directing change. One topic we will explore is the resilience of energy infrastructure, and we are pleased that OSCE will be facilitating a session on the topic.

Achieving the energy-related goals of the 2030 Agenda for will require deep, transformative action. The work to be done falls into three key areas.

The first area is in **reducing the environmental footprint of fossil energy.** If we are to provide the energy that countries require for their economies, and if the world's energy mix retains a significant share of fossil fuels, then it will not be possible to meet the climate challenge without addressing fossil's environmental footprint.

A second area of activity is in **sustainable resource management**.

The management of energy resources today focuses narrowly on individual projects based on market economic conditions and local community issues. There is no accepted methodology for resource management that enables optimal resource development in line with the 2030 Agenda. And yet one is needed.

The third area will require countries to accept that a **deep, transformative change of the energy system** is imperative. The recipe for success is not complicated, but it requires being bold, innovative, and substantial. We must enable efficient interaction between fossil and low-carbon alternatives. We must enable new entrants with new solutions to define new markets. We must accept that energy markets do not always align with political boundaries. We must be prepared to reinvent energy as a service industry.

While our organizations are effective platforms for dialogue, the **actions that really matter will be taken at community level**, with interactions among local and national governments, investors, regulators, and citizens. To succeed, actions will need to be tailored to local circumstances that meet citizens' quality of life aspirations.
You have put together an agenda for this meeting that focuses on the important challenges facing the energy sector.
Regarding digitalization, it is at the heart of changes in society

regarding how we live, travel, and do business. In modern economies, without a digital infrastructure there would be no energy production, distribution or use. Challenges of security, dependency, privacy, and disruption are emerging as both traditional and new industrial players digitalize. There is insufficient understanding of the value that digital technology provides to the energy industry.

UNECE's has a new initiative aimed at improving the energy efficiency of our buildings. Called the High Performance Buildings Initiative, it embraces the use of information and communication technology, or ICT, to manage building systems, connect buildings into the built environment, and connect smart appliances and smart buildings to smart networks. Expanded use of building management systems to monitor and control both the quality of the indoor environment and the performance of electrical systems reduces energy requirements within buildings. The connection to the external environment will result in increased consumer participation in energy markets (also known as raising the price elasticity of electricity demand), improved quality of life, and overall system resilience.

The use of ICT throughout the electricity system enables broader penetration of distributed or intermittent generation resources. It improves the ability of the network to anticipate and respond to

system disturbances, thereby enhancing resilience. And it provides clear information on the types and locations of needed capital investment.

The use of ICT in transportation also yields multiple benefits in terms of diagnostics, equipment optimization (for fuel economy, performance, and emissions), congestion management, and types and locations of needed capital investments. Further, the increasing penetration of electric vehicles opens the possibility of making the battery storage in transport available to power networks for instantaneous balancing, and enabling deeper penetration of intermittent renewables.

Digitalization is disruptive. New business models are challenging the old. The data from the digitalisation of everything present an opportunity to improve quality of information. But this must be carefully managed to protect privacy.

Energy systems face a plethora of risks including natural disasters, technical failures, unintentional human errors, or intentional faults such as cyber-attacks or terrorism. Digitalisation of the energy system will contribute to reduction of, or at least improved management of, most of these risks. But it will also expose the system to greater risk

of intentional attacks. Operators are obliged to take precautionary measures.

A sustainable energy system will address all aspects of sustainable development in line with national priorities and concerns, including climate change and natural resource use, job creation, energy security, social tolerance, health and energy access, and others. All nations are committed to achieving their interpretation of sustainable energy and the 2030 Agenda. It is necessary that each country recognizes the perspectives and the drivers of the others. There is not a single approach to the transition but a multitude of approaches. What truly matters is that the collective outcome delivers the needed results. A collective approach can also achieve targets faster than individual national or sectoral actions. Therefore, we must strengthen dialogue and co-operation on energy issues in our region.

I would like to thank OSCE for inviting me to join you here today. I welcome our continued close cooperation on the range of energy topics. Thank you for your attention.