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Latin America a natural energy partner for U.S.

Current upheaval in Libya and other north African nations and rising prices for oil serve as a wake-up call for the Americas to pursue greener sources of energy -- from natural gas to wind, sun and plants.

Those were among conclusions from WorldCity's Global Connections panel held Feb. 25 to explore the topic, "Energy in Latin America: From Oil to Alternatives."

Panelists agreed that oil will remain a key source of the world's energy for years to come. But greater efforts to develop greener sources can help cut their costs and pave the way for greater and more affordable use later, as oil becomes harder to extract and more expensive.

Natural gas is one viable short-term option, because it is widely available in the Americas and burns about 40 percent cleaner than oil. Chevron is hot on developing natural gas, now that "the era of easy oil is over," said panelist **Kevin Wolahan, transition manager at Chevron's portfolio strategy team.**

Latin America has many alternatives to oil, thanks to abundant water, sun, wind, land, plants and other resources. Some nations are seizing those opportunities. But governments need to do more to encourage options, adopting long-term energy policies and offering incentives to investment, said panelist **George Philippidis, energy director at the Applied Research Center at Florida International University.**

"For the United States, integration with Latin America in energy is the way to go, so we can depend more on friends and neighbors and less on unstable parts of the world," said Philippidis.

Some audience members wondered why renewable energy is not more widely used in the Americas now. In Cyprus, most people have solar water heaters on their roof but not so in Florida or other areas with ample sun, said **Aya Chacar, assistant professor of management and international business at FIU.**

Part of the problem is insufficient incentives from governments to help boost production and use of alternative technologies. "There's a lack of vision from politicians," Philippidis said.

The Caribbean should be especially ripe for renewable energy, since it has some of the world's highest energy costs. Most islands depend on imported oil for electricity, and they can't typically tap into a neighbor's grid to trim their costs.

Yet government-owned utilities in the Caribbean, worried about cash flow, too often offer wind farms or other renewable producers little money to buy their green energy for the grid. That undermines efforts to trim reliance on oil, said **investment banker Jerry Butler, chief executive at Global Equity Consultants in the Bahamas and chairman of the Caribbean Renewable Energy Forum.**

Even without switching from oil, the Americas could chop consumption by more efficient use of energy, said **Ruben Rotulo, president of Robles Advisors consulting firm.**

“That’s the fastest way to save. There’s an awareness building, but it’s nowhere near where it should be,” said panelist **Yuda Saydun, president of ClimeCo Corp. of Miami, an engineering-related firm that focus on such low-carbon and renewable energy tasks such as cleaning pollutants from the air.**

Businesses are paying more attention to energy efficiency since the global recession in a bid to trim costs. They’re saving millions of dollars a year with such simple steps as buying energy-efficient equipment; turning off lights automatically at night; not letting vehicles idle; and installing smart grids to monitor their energy use and spending, the panelists said.

“Knowing what you spend is the first step” to conserving energy, said Philippidis.

Yet even with efficient use, energy consumption is forecast to rise substantially by 2030, as China, India and other emerging countries surge and their residents use more lights, computers and other items that require energy, said **Alexandra Valderrama, Chevron’s regional manager for Latin American policy, government and public affairs.**

That’s why it’s vital that nations place a price on carbon emissions, through a tax or other means, “to encourage new technologies to become more competitive with traditional ones” and help the world reduce dependence on oil and the pollution that hurt us all, said panelist Saydun.

“We need to keep pressing our politicians to develop an energy policy,” added FIU’s Philippidis. “We need vision. We need collaboration.”

Global Connections is one of seven event series organized by WorldCity to bring together executives on international business topics. The Global series is sponsored by FIU’s School of Business Administration and real estate company Waterford at Blue Lagoon. The next Global Connections meeting is set for March 25 on the topic, “Miami’s Global Role: Connecting Latin America and Asia.”