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### ■ AQ FEATURE

# Eight Popular (& Misleading) Myths About Energy And Green Technology

BY [Ramón Espinasa](#)

# Arguments to watch out for.

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Whether the issue is global warming, carbon footprints, energy security, or shale oil, energy is very much front and center in the region's public policy agenda. Nevertheless, discussion has been riddled with suspicions, accusations and wishful thinking on all sides. Here are some of the biggest myths and fallacies to look out for.

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**Popular (& Misleading) Myths About Energy & Green Technology**  
by Ramo Espinosa

Whether the issue is global warming, carbon footprints, energy security, or shale oil, energy is very much front and center in the region's public policy agenda. Nevertheless, discussion has been riddled with suspicions, accusations and wishful thinking on all sides. Here are some of the biggest myths and fallacies to look out for.

**1 World Oil Prices Will Eventually Go Down**  
Under most current projections of demand and supply, the present price regime will remain. On the demand side, the growth in income per capita in Asia will mean higher per capita energy consumption, particularly of petroleum. For example, current oil consumption per capita in China is roughly one-fifth that of the United States. Accounting a twofold increase in China's oil consumption, per capita consumption would still be one-sixth that of the U.S., but world demand would increase by some 20 percent. On the supply side, profitable development of new sources of oil and natural gas—like the oil sands in Canada, shale oil in the U.S., and the offshore pre-salt deposits in Brazil—requires that energy prices remain at current levels. If prices do decline, don't expect those new reserves to open up any time soon.

**2 The U.S. is About to Become an Oil Exporter**  
While it may happen with natural gas, the U.S. is nowhere close to becoming a net oil exporter. Currently, the U.S. consumes 17 million barrels per day (bpd) and produces close to 7 million bpd. This means the U.S. currently imports around 10 million bpd. Shale oil and other recent discoveries could enable the U.S. to increase its production by 3 to 4 million bpd in the next few years. If anyone's enthusiastic, that won't make the U.S. a net exporter.

**3 Latin America Is Tapped Out on Hydro Power**  
Land disputes and limited access to new reserves have constrained new hydro projects, but still can be gained by updating existing projects, many of which were built decades ago. New turbines and draining reservoirs could yield a substantial increase in the power for a lot less investment than new projects require, and with almost none of the social and environmental disruption associated with new dams.

**4 Latin America is a Dirty Consumer of Power**  
Actually, Latin America is perhaps the cleanest region in terms of energy production and use. Thermal power produced by coal-fired plants is almost negligible when compared to other regions. As a matter of fact, Latin America is a net exporter of very good quality coal. Moreover, Brazil, Paraguay, Argentina, and Venezuela have abundant oil using hydroelectricity generation. As hydro generation returns to scale—thanks to (2) above—and new fast-furb-fired power plants are operated with far cleaner and more abundant gas, the region's energy production will get even greener.

**5 The Best Thing that Can Be Done to Improve Electrical Energy is to Shift to Non-Traditional Generation**  
The introduction of cleaner, non-traditional sources of energy brought about by growing environmental consciousness and new technologies is a much-welcome development. However, it will take decades before sources like solar and wind power make a dent on the present energy needs of Latin America. Two-thirds of the energy used as input for electricity generation is lost in the processes of transformation, distribution and transmission. The largest short-term gains in energy production will be achieved by increasing the efficiency of existing and traditional sources of energy: hydro and thermal generation, as well as by replacing fossil-fuel generation (particularly liquid fuels) with cleaner and more efficient gas plants. Huge short-term gains can also be made by reducing large transmission and distribution losses that exist.

**6 All Green Energy is Clean and Friendly**  
It all depends how we define "green energy." The bulk of biomass contained to be non-traditional "green" energy source is hardwood used for cooking and heating. In fact, this type of biomass is the first source of primary energy in India, as it is in some of the poorest countries in Latin America. But wood-burning is one of the most inefficient and environmentally harmful sources of energy on earth—not just because of the emission of greenhouse gases but because of the associated deforestation.

**7 Energy Production and Transportation is Now a Global Matter**  
Growing world demand in regions that lack sufficient primary energy sources, particularly Asia, has brought a massive growth in energy trade, with rising transportation costs and congestion of supply routes. As domestic demand grows and traditional energy sources in Asia are exhausted, the growth will increase. That will exert pressure to intensify regional energy integration. We have already seen this in the emerging patterns of integration between regional producers and consumers in North and South America, Western and Eastern Europe, North Africa, the Far East, and the Middle East.

**8 Electric Cars Reduce Our Carbon Footprint**  
It could be said the opposite. We shouldn't forget that more than 40 percent of the world's electricity is produced from coal. In China and India, the figure is as high as 90 percent, and in one of the biggest electric car markets, the U.S., it's more than 50 percent. Plus, there's the problem of the loss of two-thirds of energy production through transmission, discussed in (5) above. Far from being a blessing, electric cars may become a curse in terms of greenhouse gas emissions per mile, compared to combustion engine vehicles.

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