

GLOBAL MARKETS FORUM

Join the conversation exclusively on
Refinitiv Messenger

@ReutersGMF #RefinitivMessenger



Q&A-Europe's bid to break Russian gas dependency will hasten transition to renewables; Energy storage solutions will be key: Jonas Wallmänder, Azelio



The Russia-Ukraine crisis is forcing European nations to reduce their dependency on Russian gas, and along with surging oil prices, will increase the pace of the world's energy transition to renewables, **Jonas Wallmänder, CEO of Swedish energy storage company Azelio**, told the Reuters Global Markets Forum on Thursday, April 7.

"Short-term, this (Russian gas) may be substituted by fossil energy from other countries, but in the medium- to long-term, I believe we'll see an even faster shift to renewables," he said.

Even as governments and corporations are directing more resources towards the transition to renewables, Wallmänder expects a faster shift to put pressure on the energy infrastructure.

"The key thing is to increase energy storage solutions because more renewables on the grid create imbalances in the system - this will lead to power outages and fluctuating prices unless sufficient storage is deployed," he said.

Following are edited excerpts from the conversation:

Q: Do you see the recent surge in oil prices as an opportunity for renewable energy to play a bigger role?

A: Surging oil prices definitely make the case for switching to renewables attractive, not only from a climate perspective, but also from a business perspective. Both governments and corporations are directing more resources towards renewable energy. A faster shift will put pressure on the energy infrastructure since electricity grids come under pressure when solar and wind reach about 20%. You see that in price spikes and grid balancing costs.

Q: How would the Russian oil import ban impact cash flows into alternatives and the fight against climate change?

A: The Russia-Ukraine crisis has driven up oil prices, but has also put forces in motion to reduce the dependency on Russian gas in Europe. Short-term, this may be substituted by fossil energy from other countries, but in the medium- to long-term, I believe we'll see an even faster shift to renewables. Ultimately, there's a strong force from the governments now, to invest even more in renewables to break our dependency on Russia.

Q: How do you see the current landscape shifting, and what is your outlook for renewable energy in 2022?

A: Renewables will increase significantly in 2022. There are strong political and economic drivers behind the continuing transition. But the key thing is to increase energy storage solutions because more renewables on the grid create imbalances in the system - this will lead to power outages and fluctuating prices unless sufficient storage is deployed.

Q: How do you see higher commodity costs, including rising photovoltaic (PV) prices, impacting energy transition across the world?

A: A lot of companies feel the pressure of rising commodity prices right now, and we are no different. But I don't believe it will put an end to the energy transition. On the contrary, more people will strive for energy independence, creating their own mini-grids, and on a higher level, I believe that sustainable solutions will prosper more than traditional fossil-based power.

Q: What are some other challenges in hampering the renewable energy space in 2022?

A: In a word, it's investment. The transition from fossil to renewable energy will put our current energy infrastructure under increasing pressure, so we've got to not only invest in PV and wind, but also in storage and in our grids – that will be critical. All renewables are essentially up-front investments, and then you reap the benefit during the system lifetime, so securing investment remains a challenge for the industry.

Q: What are the most notable projects globally that are being planned or currently underway in the renewables space?

A: The flagship has to still be the MBR Solar Park in Dubai, where our solution is part of a local mini grid to power some facilities.

Q: Can electric vehicles (EVs) be truly sustainable in a country like India, still dependent on fossil fuel-powered electricity?

A: Regarding India, as long as the electricity is powered by fossil fuels, EVs will not be sustainable. We have to increase the share of renewable electricity on the grid to become fully sustainable, although it's better to run an EV with electricity from solar than a petrol-powered car.

Q: Could you tell us about what Azelio does, and what sources of renewable energy are optimal for Azelio's storage?

A: Azelio is a Swedish cleantech company with a unique long-duration storage technology for renewable energy, that provides dispatchable electricity at all hours of the day. This technology can be charged from any renewable energy source since it uses electricity to charge the storage. It's particularly optimised for solar, but actually it's agnostic to all technologies and geographies. The great thing with solar though is that we can create a 24/7 renewable baseload.

Q: Does Azelio's technology for storage also fully sustain the environment?

A: Combining our solution with renewables, we can cover up to 80%-90% of the full-year with energy. For the remaining 10%-20%, some kind of seasonal storage is required, such as hydrogen, to become 100% sustainable. This can be compared with only solar - where we reach 25% of the year covered by energy from the solar park. So, it's a big increase!

Q: How far are we from hydrogen fuels and its practical use?

A: Hydrogen fuels are best suited for seasonal storage. Our technology closes the 24-hour cycle on a daily basis, so you get clean heat and electricity whenever you need it.

Q: Do you have any parting views for us to look out for?

A: The time is now for making the transition into renewables. We see a clear need for long duration storage, and Azelio is targeting markets with a lot of sun, high electricity costs, and where customers face challenges with the grid. This points us towards the U.S., Southern Africa, the Middle East, and Australia. There are opportunities ahead, and we're looking forward to being a part of the transition to a more sustainable society.

About the Global Markets Forum

Moderated by experienced Reuters journalists, the Global Markets Forum (GMF) is an exclusive editorial community for financial market professionals [available for free on Refinitiv Messenger](#). The world's first macro, cross-asset class, cross-regional community, the forum surfaces the most critical market topics, the widest range of views, and hosts the most influential guest voices, in real-time. Hear peer opinion, take market temperature, and discover new connections: The GMF offers content, conversation, and networking all in one place.

Check out the up to date topics, events & LiveChat with our weekly featured guests: [GMF Week Ahead](#)

 [@ReutersGMF](#) Follow us on Twitter

Don't have access? Visit refinitiv.com/gmf