



EX-SHELL MANAGER: 'OIL SECTOR MUST PHASE OUT FOSSIL ENERGY QUICKLY'

[Translated from the article appearing in De Telegraaf](#)

Former Shell manager Jules Kortenhorst and the Rocky Mountain Institute (RMI) influenced US government policy on new energy.

Europe is emulating this state aid for entrepreneurs. "The businesses are bringing about an accelerated transition. Solar and wind energy are already cheaper than fossil fuels," says Kortenhorst, who is now once again also active in the Netherlands.

After spending a short two years in the Dutch House of Representatives for the CDA (Christian Democratic Appeal) party, the economist disappeared from the spotlight in 2008. He became director of the European Climate Foundation, the largest philanthropic organization for energy in Europe. "My departure from the House was one of the most difficult decisions," says Kortenhorst, who is a descendant of former Chair of the House of Representatives Rad Kortenhorst. "I wound up working on tax issues at the CDA primarily for internal political reasons. But I simply had to tackle the climate issue. That was 15 years ago and we're still very much behind," he says impatiently while looking out at the colorful Rocky Mountains in Colorado. The hills are full of wind turbines. "A considerable success. But the US only has five wind turbines at sea; the Netherlands is doing significantly better in this respect," says Kortenhorst.

The Dutch company Esdec Solar Group, a growing supplier of mounting systems for solar panels with €700 million in revenue, recruited the Oss-born Kortenhorst as chair of its supervisory board. Kortenhorst is a well-known name in the energy sector. The ex-McKinsey man worked his way up at Shell and then network company Stedin and RMI, subsequently becoming a partner at investment fund Vision Ridge (sustainable real assets), and he is a member of Shell's advisory board for new energy.

He is currently a target of Fox News in the polarized US society. Kortenhorst, together with RMI, supposedly urged President Biden to get rid of all gas stoves and



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replace them with electric equipment in kitchens. Something the former Chair of the Global Future Council on Energy of the World Economic Forum endorses.

Why should companies be the big innovators in energy?

"Climate is a complex system. As an economist, I know that if you want to bring CO2 emission to its knees, you need to tackle it as a system, and at scale, very drastically. This needs to be a large-scale effort because we don't have a lot of time left. Companies have great capacity to implement this decrease globally."

Many people think that the whole climate issue is exaggerated.

"The data on climate change and damage are clear. Al Gore's Inconvenient Truth personally already gave me a push back in 2006; of course, the Club of Rome was also important before this documentary came out. For example, one of the things that Professor Johan Rockström of the Potsdam Institute has shown is that the climate is becoming steadily worse and also that there will come tipping points. This will suddenly and dramatically make things much worse, as well as irreversible. And then you'll be too late. We are now at this point."

How so?

"If the large-scale clearing of land around the Amazon river continues, the rain system above it will change drastically or disappear. Melting of the ice cap near Greenland can change the salt content of the currents in the Atlantic Ocean. The Netherlands will have temperatures like in Canada. Our society is still running about 80% on fossil fuels. If we continue this way, with all the current damage, the climate will become drastically worse."

Going from Shell to the environmental sector was a remarkable step, wasn't it?

"For me, climate was initially not terribly on the radar. You can say a lot of things about Shell, but the company is very good at managing large-scale processes – and within a society, which you need to consider. Shell has a crucial role."

Your former boss Jeroen van der Veer said that the energy transition won't succeed without Shell.



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"He's right. The amount of installation capacity, capital and perseverance that companies like Shell can raise is very important. Take electric charging stations along freeways and in cities, for example. This is something that should be, and can be, much faster in order to precede the rollout of electric cars. Companies such as Shell and BP do need to adhere to the Paris Climate Agreement, though, and commit to the rapid reduction of fossil fuels."

You are also relying on new technology as the salvation.

"Take photovoltaics for solar energy. These are very quickly becoming less expensive. A doubling of the supply decreases the costs by 28%. Sun and wind have now become the cheapest form of energy. A tipping point has been reached here."

What will be the next major technological breakthrough?

"An important turning point is near, where electric cars will widely become more affordable than the combustion engine. Look, car manufacturers have known this for a while now. When I saw that Mercedes and BMW were planning to convert their production lines, and GM said that it wanted to manufacture only electric cars by 2035, I knew that this was an unprecedented shift. That's where we are currently. Car companies are looking at it primarily from a business perspective; VW possibly even more so due to its Dieseltgate. Electric car models are becoming cheaper, they're quiet and easier to maintain. This is also a point of consideration for companies, in addition to the environment. And the problem of limited range is rapidly changing: I can drive my Tesla for 300 miles before I need to recharge."

This all sounds like a vanguard. So where are the masses?

"It's already happening; the trends are consistently pushing forward. But Cruijff (the late Dutch soccer player Johan Cruijff) said that you won't see it until you realize it. Solar and wind energy continue to become more affordable, much more than other raw materials. The economy and the environment will both benefit enormously from this."

But China has all the crucial raw materials.

"It has become an annoying race to the top. That was the case three, four years ago. But now alternatives and new technologies are being developed. Despite all the criticism, President Biden has been able to push through a series of investment



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packages. With thousands of billions of dollars, these packages are enormously important for industry and infrastructure. It's also extraordinary from a historical perspective, since the US typically doesn't engage in government-led industrial policy. The tax incentives you can get as a company are considerably underestimated with the loan program. The package is now bringing about a reinforcing, accelerating effect."

Is Europe falling short?

"Von der Leyen (President of the European Commission) is doing a good job with her own package. It's more important for the entire sentiment to shift: from what this energy transition is costing us all and what hardship it is to how companies should seize this moment for investment. Europe and the US must and need to be part of the vanguard; otherwise all of the electric cars will be built somewhere else. Tesla would never have existed had it not been able to take advantage of the US aid program at the time."

You almost beat Tesla...

We developed the Hypercar at RMI in 1994. It pains me to acknowledge that we weren't on time. It was difficult to get that car developed at sufficient scale. Had we received the guarantee of the loan program earlier, Hypercar might have become Tesla's competitor."

Europe always seems to be too slow.

"Perhaps. However, what doesn't happen in the US but does happen in Europe is good permitting, a good licensing policy. A gigantic infrastructure expansion needs to take place for our energy. A lot of steel needs to be placed into the ground, new roads need to be built. Such investments run into licensing regulations in the US. It's good that Europe is trying to get the investments with licenses at the right location, keeping in mind the surroundings, nature and the environment. At the same time, there is a planetary emergency: it has to happen incredibly quickly. The licensing policy for new solar and wind parks is still much too slow."

The government is pushing aside the free market.

"The Netherlands has missed opportunities because industrial policy driven by the government was tantamount to sacrilege in the Bezuidenhout (Ministry of

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Economic Affairs, red.). The Netherlands continued state aid for too long during the collapse of the shipping industry. Since then, the government has been allergic to long-term aid. The Danish government opted to go full in on wind energy. This is why Vestas and Orsted are Danish world leaders in the field, and not Dutch ones. The Netherlands had the knowledge of solar and wind energy, but we handed it over. The Ministry of Economic Affairs kept all its options open but didn't really choose."

How can the Netherlands get in on the game?

"Because energy is a utility, industrial policy is important nevertheless. Although I have seen a shift in recent years. Like the Netherlands now organizing auctions for offshore wind parks – that's world class. The Netherlands is encouraging companies to step up their ambitions. Other countries are jealous of this. The speed at which the Netherlands is doing this is quite good. The same applies to hydrogen expansion, although this is still in its early stages. It's really awesome that CEO Allard Castelein of Havenbedrijf (Port Authority Rotterdam) is travelling the world to get companies interested in hydrogen for the Netherlands. There's a vision there. Rotterdam isn't Texas, but the Netherlands has opportunities as an importer with the German hinterland."

But our energy network is now running aground.

"Yes, there are bottlenecks when you want to scale up with energy. The licensing is crucial in this case; the Netherlands needs to make great strides to maintain the pace. The human brain is always able to badly estimate the impact of this enormous acceleration. I issued a warning at Stedin when I was a supervisory board member: We must be ready to handle a much, much higher electricity demand and supply. It all has to go faster. Network companies didn't take this sufficiently into account. There is a shortage of turbines, solar panels, installation equipment, electrolyzers and transformers."

Is that American optimism?

"You shouldn't be naive under the circumstances of the horrible Russian war in Ukraine. I choose to be hopeful. Because as an economist you know that mankind has always been able to find large quantities of raw materials and minerals when this became necessary. Of course, this needs to be done in an environmentally



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responsible manner. There are plenty of signs that the stockpiles have been found. The Club of Rome warned of an oil shortage in 1968, and now we have a surplus. But take recycling: JB Straubel, one of Elon Musk's friends, started a recycling company for car batteries, even though this wave still needs to materialize. This is an example of industry going in the right direction."

With RMI you were known to be influential in Washington.

Reservedly: "In this phase of my career I am benefitting from what I learned in the past. Undoubtedly at Shell, but also in the House of Representatives. RMI has an unbelievable amount of knowledge, and RMI undeniably played a role in shaping the thinking of the energy transition in the US. But I've never met Biden."

You are a US-based supervisory board member at Dutch company Esdec.

"I fly to the Netherlands four or five times a year. That's not good for the climate. The company has a European and a US division, which we need to make grow at the same time. I try to give the CEO a helping hand, to support him in the rapid energy transition. The growth in solar panels has been accelerated due to the horrible war in Ukraine. Thanks to the aid package offered by the US, the company could grow faster in the US."