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Siemens CEO Peter Löscher: “We’re on the threshold of a new electric age”

The 15th Erlanger Technikgespräch provides answers to urgent energy challenges

For the 15th time, Siemens – together with Friedrich Alexander University (FAU) in Erlangen-Nuremberg, Germany – is hosting a special technology conference, the Erlanger Technikgespräch, in the Siemens medicare building in Erlangen, Germany. Climate change, diminishing natural resources, increasing urbanization, rising prosperity and the related increase in energy demand require a new approach to the way energy is handled. The German government has set the course with its new energy concept. Plans call for reducing greenhouse gas emissions by 80 percent by 2050, compared to 1990 levels, while increasing the amount of power generated from renewable sources by the same percentage. Today, 16 percent of Germany’s energy requirements are met by renewable energies. “We won’t reach our climate goals,” emphasized Siemens President and CEO Peter Löscher, “unless we make electricity our all-encompassing energy carrier. In the future, electricity will also be used in fields where other energy carriers now dominate – in transportation, for example. We’re on the threshold of a new electric age.” And precisely here, added Löscher, is where Siemens, with its Environmental Portfolio, can make a decisive contribution – from renewable energies to electric mobility.

How are we going to meet the dramatically increasing demand for energy? And what is new about the new electric age? These are the questions that Peter Löscher posed and, in outline, answered in his opening address to the 15th Erlanger Technikgespräch. The right energy mix, across-the-board efficiency increases and smart grids will make it possible to rebuild the energy system. Siemens’ Environmental Portfolio offers a wide array of solutions in all these fields. In fiscal 2010, products and solutions from the Portfolio enabled customers to cut their CO₂ emissions by 270 million tons – an amount equal to the total annual CO₂ emissions of Hong Kong, London, New York, Tokyo, Delhi and Singapore.

In the next few decades, renewable energy sources like wind and the sun will play an ever-greater role in the energy mix. But in addition to the systematic expansion of renewable energy

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technologies, fossil-fuel power plants worldwide will also have to be modernized – using CO₂ separation and integrated coal gasification, for example. To increase efficiency, technologies are necessary all along the energy conversion chain – innovations like low-loss electricity highways that may be up to 2,000 kilometers long; energy-saving industrial facilities; energy-saving building, transportation and lighting systems; and the world's most efficient gas turbines. If, for example, all the combined-cycle power plants in the U.S. were equipped with new Siemens gas turbines, the additional electricity generated every year would be sufficient to meet the needs of 25 million Americans – without increasing CO₂ emissions.

Optimizing the energy system with smart grids that also optimize the fit between power supply and power demand is another key lever. “In the future, we'll require intelligent networks that bundle and distribute electricity in more and more small, decentralized generation units. Power grids shouldn't end at national borders. We need something like a European energy community,” said Löscher.

In the subsequent panel discussion, Peter Löscher, the experts Reinhard German and Lothar Frey from the School of Engineering at Nuremberg FAU and Richard Hausmann from Siemens' Smart Grid Applications Project expressed their views on the path into the new electric age, global developments and the challenges they pose as well as the technological solutions required by industry and their financial viability.

The Erlanger Technikgespräche comprise a series of events organized jointly by Siemens and the School of Engineering at Friedrich Alexander University in Erlangen and Nuremberg, Germany. The conferences, at which distinguished experts present and subsequently discuss key aspects of science and technology, have been held twice a year since 2003. Prominent speakers have included Ekkehard Schulz, Berthold Leibinger, Jürgen Mittelstraß, Heinrich v. Pierer and Joachim Milberg. Siegfried Russwurm (member of the Managing Board of Siemens AG and CEO of the company's Industry Sector) and Reinhard German (School of Engineering at the FAU Erlangen and Nuremberg) are the events' patrons.

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. For over 160 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. The company is the world's largest provider of environmental technologies, generating some €28 billion – more than one-third of its total revenue – from green products and solutions. In fiscal 2010, which ended on September 30, 2010, revenue totaled €76 billion and net income €4.1 billion. At the end of September 2010, Siemens had around 405,000 employees worldwide. Further information is available on the Internet at: www.siemens.com.