



## U.S. faces energy challenge: Exxon Mobil CEO

By John Spence, MarketWatch  
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**BOSTON (MarketWatch) -- The U.S. needs to diversify its energy sources away from a reliance on oil to close the gap between supply and demand, but current limitations in alternative energy such as ethanol will make the transition difficult, Exxon Mobil Corp.'s chief executive said Thursday.**

"The future of energy is important to all sectors of the economy," said Rex Tillerson in a speech at the Boston College Chief Executives' Club.

Tillerson estimated that by 2030 the world's energy needs will be 50% greater, driven largely by expected population and usage growth in developing countries.

Therefore, the U.S. should continue to study the effects of energy exploration and consumption on the environment, and look for ways to make sources of alternative energy more efficient, Tillerson said.

"In finance, the best hedge against market risk is diversification, and the same applies to the U.S. energy portfolio," he said.

Substitute resources such as wind and solar power and ethanol should see double-digit growth in the next few years, boosted by government incentives, but the head of the world's largest publicly traded company ([XOM](#)) said there are scale, cost and technological barriers that need to be overcome to break the U.S.'s reliance on fossil fuels as its primary energy source.

For example, Tillerson estimated the U.S. now uses about 13% of its corn crop to produce ethanol, but that meets only 2% of the country's energy needs. Meanwhile, the gap between U.S. consumption and supply of energy is about 15 million barrels of oil a day.

"There is no silver bullet for the energy and environmental challenge we face," he said Thursday, adding that about 85% of the growth in carbon-dioxide emissions will come from developing economies in the future.

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