

Round Table: What implications of de-carbonization for international organizations / governance (initial remarks)

Prof. Dr. Andrey A. Konoplyanik,

Adviser to Director General, Gazprom export LLC;
Professor, Chair “International Oil & Gas Business”,
Russian State Gubkin Oil & Gas University;

Co-Chair, Work Stream 2 “Internal Markets”, Russia-EU Gas Advisory Council &
Coordinator (Rus.side), Russia-EU Informal Consultations on EU Regulatory issues

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Energy paradigm => international law priorities => areas for international governance / cooperation: **PAST -> TODAY**

- International energy economy based on:
 - Mostly non-renewable energies (NRE)
 - Mostly centralized commercial (industrial-type) cross-border energy value chains
 - Physical energy markets (till mid-1980s), physical & paper – afterwards
 - energy as commodity (commoditisation of energy markets)
- Sovereignty over natural resources
 - UN GA Res. 1803, Dec'1962; ECT Art.18, 1994/98 – role of national state
 - Fight for internationalization of supply (national supply vs international demand)
- Natural resource-rent generation & collection:
 - Geology risks
 - Monetization of nonrenewable resource rent
 - Cost plus (self financing) = minimum LT price
 - NBRV + indexation (maximization of marketable resource rent) = maximum LT price
 - Fight for resource rent: “resource nationalism” vs “optimization of natural resource rent collection”
- Primary attention: Access to resources (primary energy) => political risks (incl. nationalization, expropriation) & instruments of its mitigation:
 - Investor-host Gov't agreements (concessions, PSAs, risk-service, etc.)
 - International law instruments: DTTs, BITs, MITs
- Secondary attention: Access to capital, technologies, innovation within mostly non-competitive & non-transparent energy & other markets

Energy paradigm => international law priorities => areas for international governance / cooperation: **TODAY -> FUTURE?**

- International energy economy based on:
 - NRE & RES (climate change, import dependence, SoS)
 - Centralized (industrial-type) cross-border (NRE) & decentralized (rural + post-industrial - RES) energy value chains
 - Physical & paper energy markets
 - Energy as financial asset (financialisation of energy markets)
- Nat.resource rent + technological rent generation & collection
- Access to capital, technologies, innovations in the more-and-more competitive & transparent energy & other markets
- Fight against energy poverty (access to end-use energy)
- Environmental considerations (pollutant pays) => “climate change” as new “production factor”
- Transition risks => financial stability/risk mitigation:
 - Re-pricing of fossil fuels due to technological change demanded by world decision to limit fossil fuels emission (COP-21) =>
 - “Unburnable carbon” => huge drop of energy assets values => how to exclude financial risk & shock
 - Financial Stability Board (FSB), the international body set up by the G20 in 2009 to monitor risks to the financial system
 - *NB: G-20 accounts for 85% of the global emissions*

Thank you for your attention!

www.konoplyanik.ru
andrey@konoplyanik.ru
a.konoplyanik@gazpromexport.com

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