

Oil and Gas 2.0

Energy Security in the New Market Setting

1.00-7.00 PM, 27 February 2018

**USEA Executive Conference Room
1300 Pennsylvania Avenue NW Suite 550, Washington D.C.**

Agenda

The Secretary General of the International Energy Forum and the Executive Director of the United States Energy Association invite you to participate in a First IEF Industry Advisory Committee Workshop, co-hosted by the United States Energy Association on 27 February 2018.

The Workshop will contribute toward the understanding of developments that are reshaping the producer-consumer dialogue and help to inform the global energy dialogue at the 16th International Energy Forum Ministerial hosted by India in New Delhi on 10-12 April 2018 under the theme “The Future of Global Energy Security”.

Attendance is by invitation only and panelist views and roundtable discussions will be governed by the Chatham House Rule.

Introduction

Oil and gas markets are rebalancing. On the supply side, the downturn of 2014 placed the oil and gas industry on a more efficient and resilient footing after imposing lasting investment and costs reductions. It has also strengthened cooperation among OPEC and non-OPEC countries who continue to adhere to output adjustments they agreed to in late 2016, and just recently extended until the end of 2018, subject to further adjustment actions in June. On the demand side, inclusive and sustainable growth requirements are recast against the backdrop of a brighter global economic outlook and a more competitive oil and gas market. This may well mean that demand is poised to surprise on the upside of the current consensus.

Oil and gas markets have witnessed profound changes on both the supply and demand side over the past three years. New unconventional volumes have shortened investment cycles, yet longer-term demand growth has yet to be balanced by a return of investment in conventional production and infrastructure. Policy shifts and technology breakthroughs will both continue to be game changers on the demand side, raising project cost and lead times for investors.

Confidence in the resilience of U.S. oil and gas production and export growth is high, as are OECD oil inventories. They provide some insurance though the latter are steadily drawn closer to five-year averages, and data on non-OECD inventories is poor. Market stability, however, appears more than before, to rest on agreements and technologies yet to be fully tested in the new market setting. With a lack of robust market fundamentals working on the supply side to meet growing demand, is there a risk that markets will tighten faster than expected?

Though the profitability of the industry may well be secured, new investment and conventional resource development has lagged over the past three years. Without prejudice to compliance with OPEC led output adjustments, when deferred investment in conventional non-OPEC supply will take time to redeploy, and U.S. unconventional supply proves less resilient than growth demands, what will that mean for oil and gas market security?

1. Will it lead to greater market concentration by augmenting the share of low-cost producers in global oil and gas supplies?
2. What will be the impact on market stability? Will increased volatility accelerate the deployment of non-fossil technologies, and change consumer behaviour?
3. Are the energy security mechanisms we rely on, be they market driven, or government mandated, still adequate in the new market setting?

Draft Agenda

1:00

Welcome & Opening Remarks

Barry K. Worthington, Executive Director, USEA

Sun Xiansheng, Secretary General, IEF

Andrea Lockwood, Deputy Assistant Secretary for Africa, Middle East, Europe & Eurasia, U.S. Department of Energy

Keynote Address (es)

Linda A. Capuano, Administrator, U.S. Energy Information Administration

Biswajit Roy, Director (HR & BD), Oil India Limited

1:45-3:00

Panel Session I New Volumes, Same Cycles? Continuity and Change in Energy Markets

What does a SWOT analysis of the new environment give?

Moderator

Joseph McMonigle, President & Cofounder, The Abraham Group

Invited Panel Speakers

- BinChang Lu, Chairman of Oilfield Service Group, Kerui
- Anas F. Alhajji, Managing Partner, Energy Outlook Advisors LLC
- Huifeng Chang, Senior Vice President and Chief Financial Officer, Canadian Solar
- Jamie Webster, Senior Director, Center for Energy Impact, Boston Consulting Group

3:00-3:15

Networking Coffee Break

3:15-4:30

Panel Session II Dialogue and Market Transparency; How is energy security served, what does investment require to move forward?

Moderator

Vicky Bailey, Founder Anderson Stratton International, Director Cheniere Energy, former Assistant Secretary of International Affairs at DOE

Invited Panel Speakers

- Gianni DiGiovanni, Chairman, ENI, North America
- Ashok Belani, Executive Vice President Technology, Schlumberger
- Liu He, Vice-Chief Engineer, CNPC
- Mahmoud El Gamal, Professor of Economics and Statistics
Rice University

Concluding Remarks

4:30-4:45 Sun Xiansheng, Secretary General, IEF

5:00-7:00 **Reception at the USEA offices**

Remarks by Meg Gentle, CEO, Tellurian

Backgrounds

The IEF fosters energy security by improving oil and gas market functioning and data transparency through dialogue and cooperation among producers, consumers, and in collaborating with key international organizations.

This first IEF Industry Advisory Committee Workshop aims to debate improving oil and gas market functioning with industry and academia, together with, and in accordance with proposals from IEF member countries. The outcomes of these discussions will help to inform the global energy dialogue at the 16th International Energy Forum Ministerial hosted by India in New Delhi on 10-12 April 2018 under the theme “The Future of Global Energy Security”, and in particular:

- Plenary session 1: Global Shifts and The Future of Energy Security: Finding New Balances
- Plenary session 3: Oil and Gas Market Stability and New Policies: Investment in an Era of Change.

A second IEF Industry Advisory Committee Workshop, tentatively scheduled to take place in China in July 2018, shall address how technology, innovation, and new policies affect the oil and gas sector.