

UNECE Committee on Sustainable Energy 17th Annual Session

Sustainable energy policies to mitigate energy security risks

Risk overview

Geneva, 19 November 2008



Agenda

- Background
- Recent trends
- Risks to consumers
- Risks to producers
- Conclusion

Background

- Importance of perceptions

Recent trends

- Oil/gas reserves held by national companies
- Increasing proportion of reserves in 'risky' countries
- Future production dependent upon technological advances

Yet many national companies have limitations of

- financial resources
- technical expertise
- project management skills

Co-operation

- Co-operation between public and private sectors is essential ...
- ... but is threatened by
 - differing objectives
 - country risk concerns
 - different views on economic viability

Risks to consumers

- Inadequate investment
- Political intervention
- War and political violence
- Natural catastrophes
- Accidents
- Structural inefficiencies
- Equipment shortages
- Environmental issues
- Others

Risks to producers

- Inadequate investment
- Importing countries reducing dependence on 'risky' producing countries
- Cyclical pricing and demand
- Alternative energy sources

Conclusion

- Identification of specific risks should be considered in terms of
 - probability
 - impact
 - interdependencies
- This process is essential for establishing priorities for government policy-making