

**Center on Global Energy Policy & Paris Energy Club  
Joint Workshop on Energy and Geopolitics  
Friday 22 November 2019**

**Agenda**

**8:30–9:00 Registration and Breakfast**

**9:00–9:10 Welcome Remarks and Introductions**

**Jason Bordoff**, Founding Director, Center on Global Energy Policy

**Didier Houssin**, President, Paris Energy Club

**9:10–10:30 Oil markets: fragile balance or a new oil market paradigm?**

Oil markets continue to navigate a fine balance between supply abundance and geopolitical uncertainty. While US production—driven by shale oil—is breaking new records, supply is under pressure in Venezuela, Iran, and potentially also in other geopolitical hotspots across the Middle East and Africa. Other uncertainties, such as the IMO 2020 sulfur cap and the US-China trade war further exacerbate short term market volatility. OPEC+ has stepped in to play a more active market management role in recent years, but the long-term sustainability of the alliance’s current balancing act is highly questionable, especially if price support in the future will necessitate further market share loss for the leading members of the group. It is yet to be seen whether this fragile oil market balance is merely a transient phase, or the beginning of a new oil market paradigm that is characterized by increased volatility, and a tug of war between US shale and the OPEC+ group of producers.

Questions to be addressed:

- *What are the key factors to watch in the oil market in 2020?*
- *What are the potential geopolitical hotspots in the near term?*
- *What is the impact of US sanctions on Iran, Venezuela, and Russia on global oil markets?*
- *What’s the outlook for US shale oil production, and the likelihood of upside/downside surprises?*
- *What are the strategic options and considerations for OPEC+ in the face of growing US production and heightened geopolitical uncertainty?*
- *Is upstream investment in line with market needs in the medium term?*
- *How will oil demand evolve in structure and regionally?*
- *How will the IMO’s new marine fuel rules impact the refining industry and the global oil market more broadly?*
- *Will the petrochemical sector really drive global oil demand in the coming decades?*

**10:45–12:15 Gas markets: what role for Europe in a globalizing gas market?**

Global gas markets have been quite eventful in recent years. The rapid ramp-up of LNG exports from the US, Russia, and Australia tipped the global gas market into a short-term oversupply this year, which resulted in a sharp increase in LNG deliveries to Europe, the market of last resort during periods of excess supply. China has emerged as a major driver of global gas demand thanks to the government's clean air policies, and a long-awaited investment wave in new LNG supply has finally started after years of subdued investment activity. Meanwhile, global gas price benchmarks collapsed in the first half of 2019, while the commoditization of the global gas market continues apace. The Nord Stream 2 and TurkStream pipelines will shift the vast majority of Russian pipeline gas supplies to Europe to new transit routes, while the role of gas transit through Ukraine remains uncertain after 2019. Diversification remains a key priority for Europe, but the longer-term role of gas in the European energy mix is increasingly called into question.

Questions to be addressed:

- *How will the global gas market balance evolve over the next five years, and what role will Europe play as a market of last resort?*
- *What role can European gas storage play in the global gas market?*
- *How will competition between pipeline gas suppliers and LNG play out in the European gas market in the near term?*
- *What are Gazprom's strategic options to maintain or increase its gas market share in Europe?*
- *What are the most likely scenarios for Russian gas transit through Ukraine?*
- *How is the global gas pricing system changing, and what are the prospects of price convergence between Europe and Asia?*
- *What are the implications of China's rise as major gas consumer for Europe?*
- *What's the long-term role of gas in the European energy mix?*
- *What's the "green gas" potential in Europe?*

**12:15–13:15 Lunch**

**13:15–14:45 US energy and foreign policy – scenarios for transatlantic energy relations**

The present US administration introduced drastic changes in US foreign and trade policy with major implications for energy markets. US sanctions against Iran and Venezuela are now impacting global oil flows, and the US trade war with China has created wider uncertainties for energy markets and the global economy. Meanwhile, the Trump administration has taken a more active role in trying to influence oil market dynamics via the presidential Twitter feed, and promoted US energy exports around the world as part of the administration's trade and sanctions policy.

Questions to be addressed:

- *What is new and unique, and what is conventional in the current administration's energy diplomacy, trade and sanctions policies?*
- *With the next US Presidential elections a year ahead, how could the Trump administration's energy diplomacy develop?*
- *What are the possible future trajectories for transatlantic energy relations post-2020?*
- *How did the transformation of the US gas sector affect the role of natural gas in international diplomacy?*
- *What impact have the Trump administration's regulatory and trade policies had on the US energy sector?*
- *Will the hardline stance on Iran meet the Trump administration expected outcomes? What risks does such policy carry for energy markets? Where would a US military intervention against Iran leave Europe?*
- *What are the impacts for European and American interests of current and foreseeable US energy diplomacy in Europe?*
- *What are the energy market implications of the US-China trade war? What are the implications for Europe?*
- *Is the risk of US military retrenchment from the Middle East due to growing American "energy independence" still a concern?*

**14:45–16:15 Climate change policies: ambition vs. reality – how to bridge the gap?**

The looming climate crisis is receiving more attention on both sides of the Atlantic. The topic of climate change dominated the EU parliamentary elections in May 2019, and it will most likely also feature prominently throughout the US presidential campaign leading up to 2020. Grassroots movements, such as the extinction rebellion, further emphasize the urgency of global climate action. At the same time, there is a yawning gap between the ambition of stronger climate action and the reality of continually rising global emissions. Furthermore, the rise of populism, economic nationalism, and geopolitical rivalry between the US and China presents new challenges to global climate action, which has heretofore been built on global cooperation and multilateral climate diplomacy. The session will explore what policies and technologies can most effectively deliver the Paris targets, how the standard carbon management toolbox might need to be recalibrated in the face of geopolitical rivalry, and how global climate policy can be made work in an age of populism and deglobalization.

Questions to be addressed:

- *How resilient and effective is the Paris framework in an age of economic nationalism?*
- *What alternative frameworks can be implemented in a less collaborative international order?*
- *What are the first, second, and  $n^{\text{th}}$  best policy tools to address climate change?*
- *What's the future of carbon pricing? What are the positive and negative lessons from the EU's cap-and-trade scheme for the rest of the world?*
- *How far can renewables take us towards Paris?*
- *What role for new technologies, such as CCUS, hydrogen, direct air capture, and new nuclear in deep decarbonization scenarios?*
- *What role for gas in the energy transition? How to advance methane emissions monitoring and enforce reduction? What are the leading initiatives from government and industry?*
- *What does an effective R&D policy look like?*
- *What technologies and mitigation measures would suffer and thrive in a rivalry scenario?*

**16:15–16:30 Concluding Remarks**