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Challenges to Delivering Tomorrow's Energy — Achieving a Balance between Energy Security and Climate Security

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Abstract

This OTC manuscript is intended to introduce a panel discussion, “Challenges to Delivering Tomorrow’s Energy – Achieving a Balance between Energy Security and Climate Security,” scheduled for Tuesday morning, May 6th, 2008. At the time of publication of this manuscript, the planned participants of this discussion panel are:

The Moderators:

Bob Fryklund, Vice President, IHS Energy

Ann Oglesby, Manager of Climate Change and Sustainable Development, ConocoPhillips

The Panelists:

Fatih Birol, Chief Economist, International Energy Agency

Jaleel Al Khalifa, SPE President and Saudi Aramco Manager

David Hobbs, Vice President and Managing Director of Global Research, CERA

Amy Jaffe, Fellow, Baker Institute

Kevin Leahy, Managing Director, Climate Policy, Duke Energy

Randall B. Luthi, Director of Minerals Management Service, U.S. Department of the Interior

Kate Hampton, Head of Policy, Climate Change Capital

The Organizers of this panel include Bob Fryklund, Ann Oglesby, and Shawn Huang (who is serving as AIChE/OTC Subcommittee Vice-Chair and a member of OTC Programs Committee.)

Introduction

The current energy security can be characterized by expanding global connections, growing role of non-traditional fuels, and new paths to regulatory reform. Amid a matured global oil market, a global gas market is emerging through trading of liquefied natural gas cargos and through trans-national natural gas pipelines. Energy security and greenhouse gas emission reduction targets are driving the use of non-traditional fuels around the globe: biofuels, solar, wind, hydro, nuclear, and unconventional gas. The regulatory reform focuses not only on energy security and the need to reduce greenhouse gas emissions in energy consuming countries, but also on easing the tension surrounding sharing the wealth generated by oil and gas production in energy producing countries.¹

The U.S. Congress is currently considering further energy policy legislation. As debate around energy policy continues, solutions for reducing the risk of climate change are commanding increasing attention in Congress and in many states. At the federal level, lawmakers have said that they will pass an energy policy act and then a climate change bill. This sequential approach presents an obvious concern since energy policy and climate change response are difficult to consider separately.²

Given the current landscape of energy security and climate change issues, what are the challenges to delivering tomorrow’s energy? Will the prices of oil and gas continue to rise till unconventional energy sources can play a significant role in the market?