



# Some comments to the WEO-2013

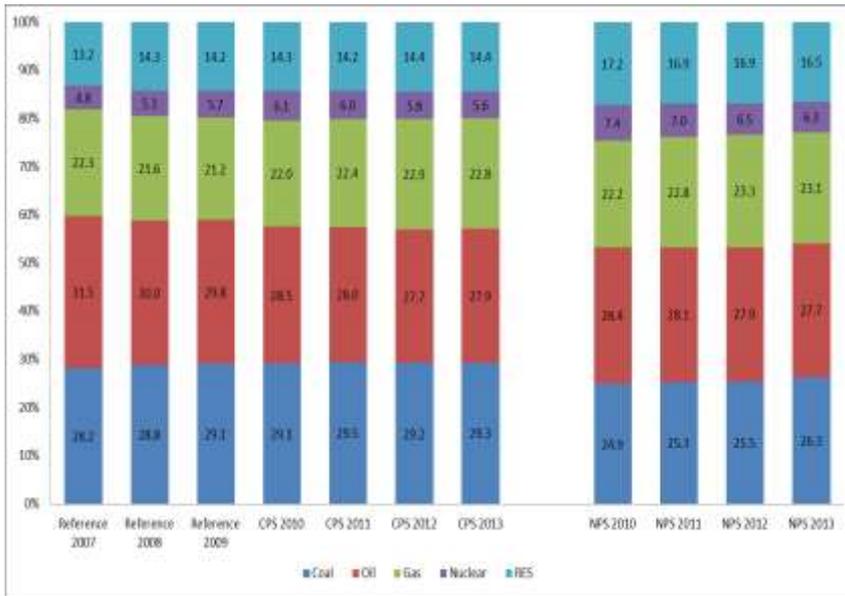
**Vladimir FEYGIN**

President  
Institute for Energy and Finance  
Moscow, Russia

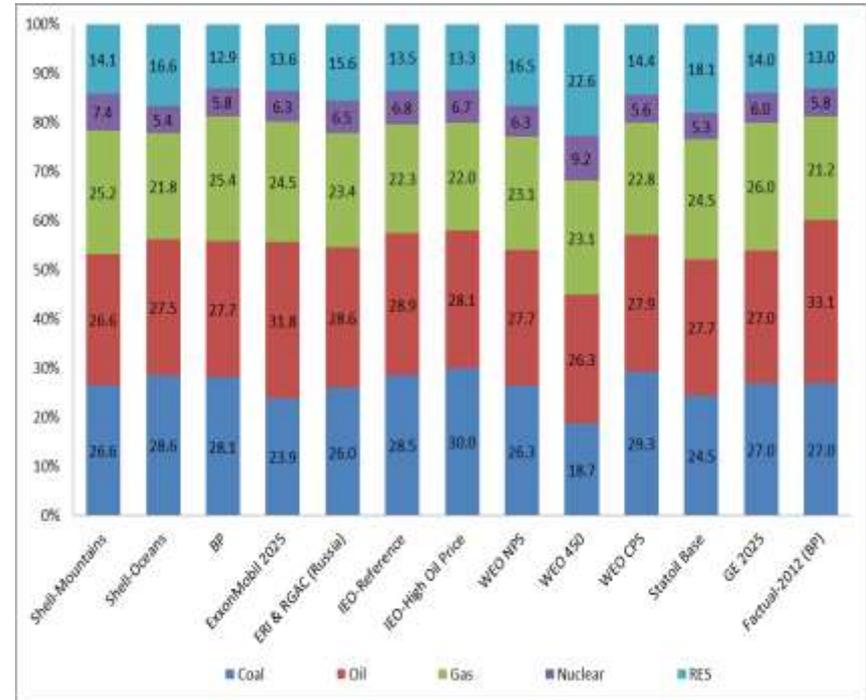
Moscow,  
25<sup>th</sup> November 2013

# Appendix 1. Tendencies in the global energy mix

Evolution of the WEO's forecasts for the structure of the global energy mix up to 2035

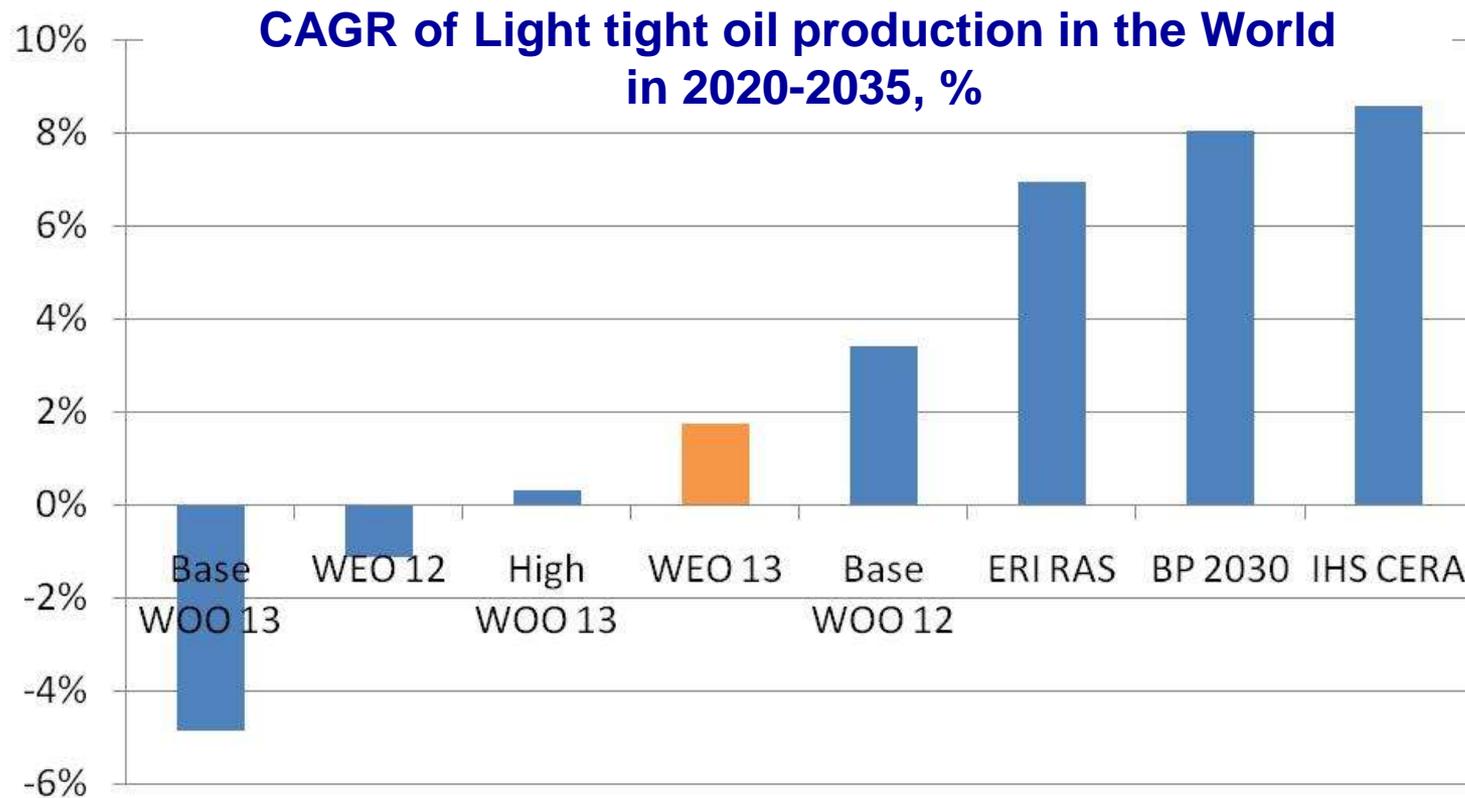


WEO's forecasts for the structure of the global energy mix up to 2035 among other energy scenarios



- ❖ What is the future role of GAS in the global energy mix?
- ❖ The shares of the main primary energy resources will come closer?

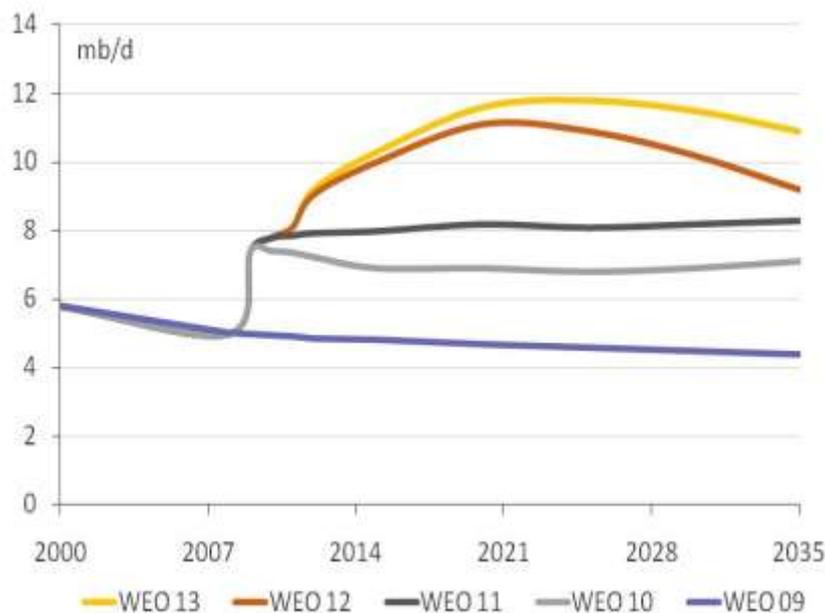
## Appendix 2. Future trends for global tight oil development



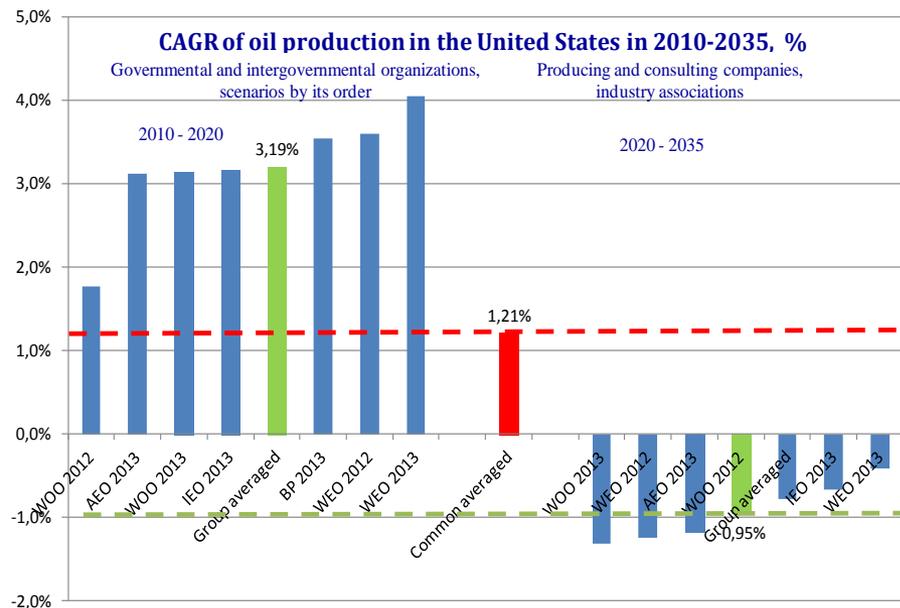
- ❖ **What is the future for tight oil after 2020?**
- ❖ **What are reliable unconventional oil resources in different regions of the world?**

# Appendix 2. Future trends for US oil production

Evolution of the WEO's forecasts for oil production in the US



Forecasts for oil production in the US according to various energy scenarios (for 2010-2020 and 2020-2035 periods)

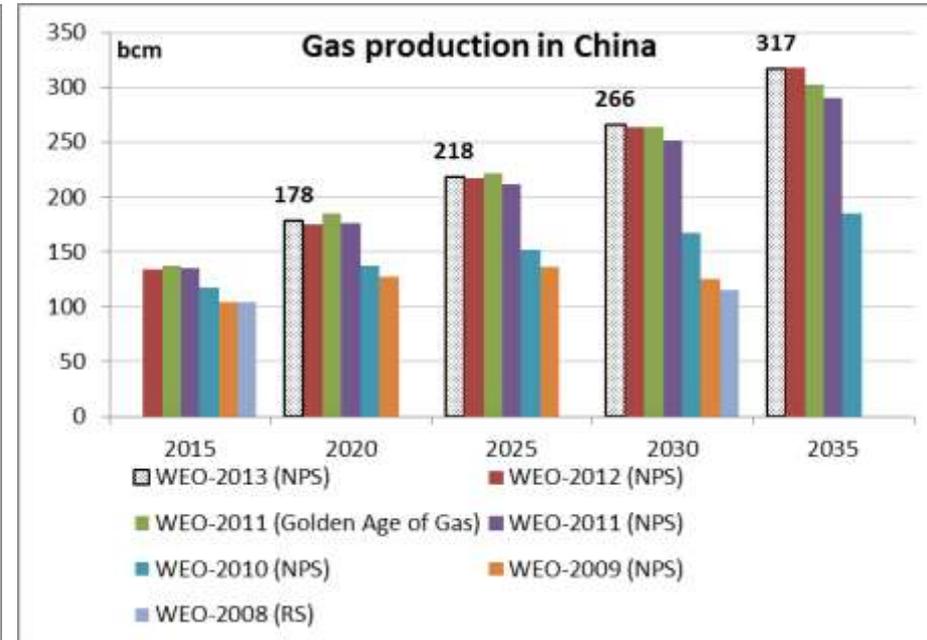
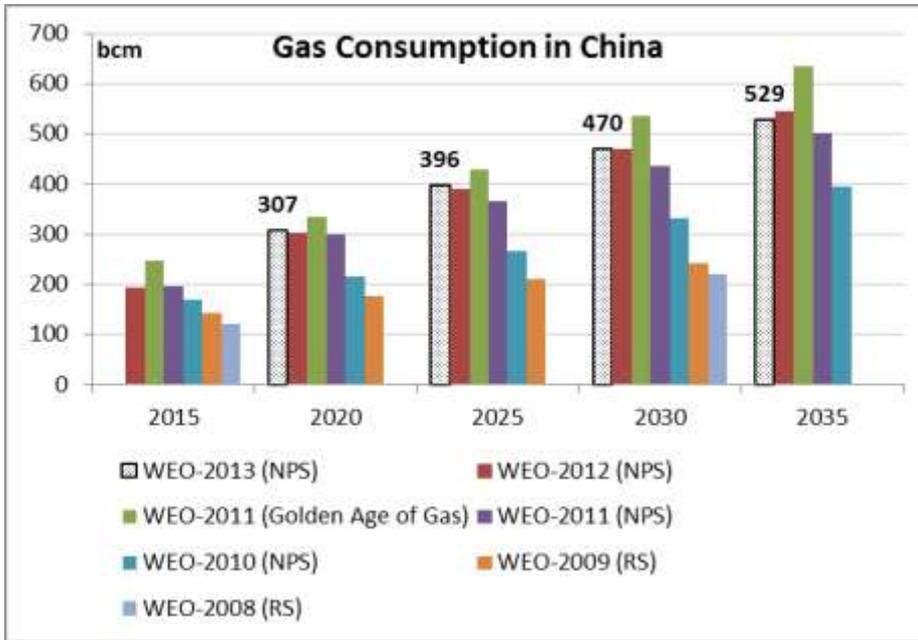


Most of the energy scenarios predict a decrease in oil production in the US since 2020-2025, **WEO 2013 forecast is the most optimistic for the whole forecasting period**



❖ **What are the key uncertainties for oil production in the US after 2020 and how they can be diminished?**

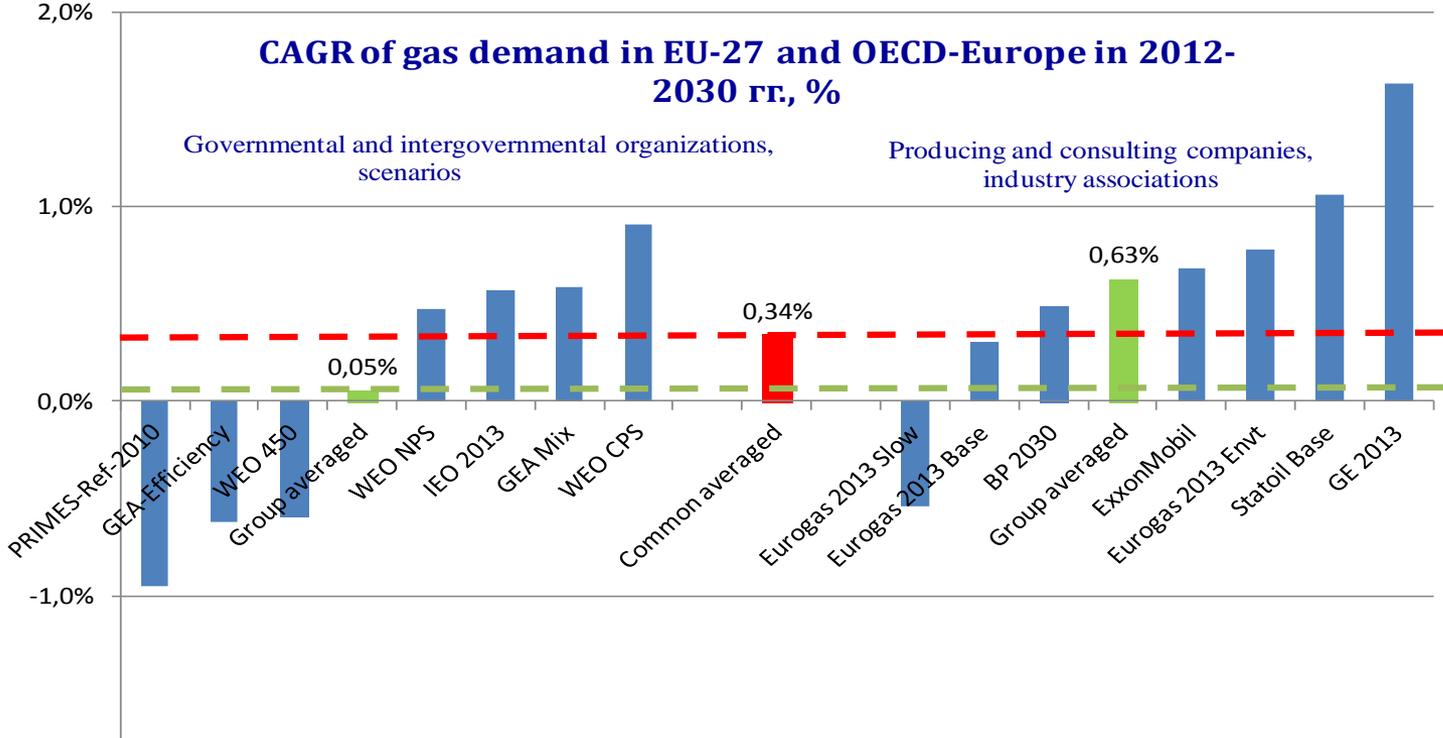
# Appendix 3. Situation in China: dramatic changes in gas sector?



Difference between WEO-2008 and WEO-2013 projections for 2030 (China's gas production and consumption) is more than twice...

- 
- ❖ What about China shale gas future development?
  - ❖ What are the current main assumptions for China's Gas sector development?

# Appendix 4. European gas market: what is its future?



WEO-2013 projections for European gas market are very moderate



- ❖ What are the main assumptions for European gas market development?
- ❖ What is the future for the EU ETS market and subsidies for RES?

## Appendix 5. WEO Scenario's descriptions are not clear

Since 2010 IEA presents two new scenarios:

- ❖ **Current Policies Scenario (CPS)**
- ❖ **New Policies Scenario (NPS).**

The scenario 450 is preserved from the previews versions of IEA's Outlooks.

### The scenario's definitions in WEO 2010:

**NPS** – takes account of the broad policy commitments and plans that have been announced by countries around the world, including the national pledges to reduce greenhouse gas emissions and plans to phase out fossil-energy subsidies even where the measures to implement these commitments have yet to be identified or announced. These commitments are assumed to be implemented in a relatively cautious manner, reflecting their non-binding character and, in many cases, the uncertainty shrouding how they are to be put into effect

**CPS** – (previously called the Reference Scenario) in which no change in policies as of mid-2010 is assumed, i.e. that recent commitments are not acted upon.



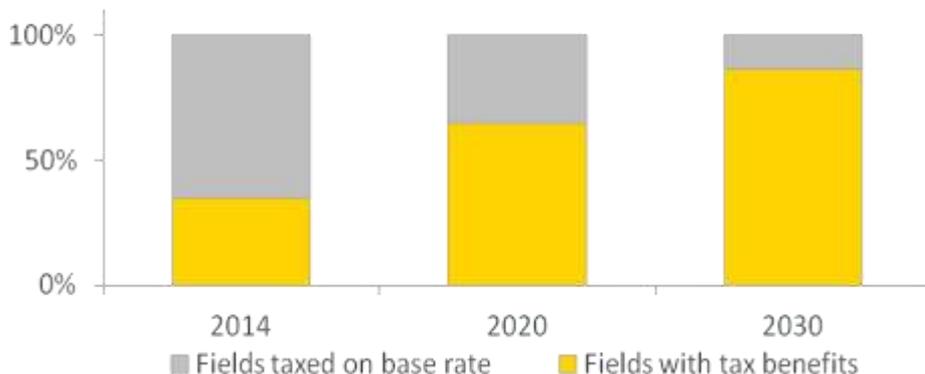
- ❖ **What are the detailed descriptions for the main scenarios in the WEO-2013?**

# Appendix 6. Dramatic changes in Russian Energy policy

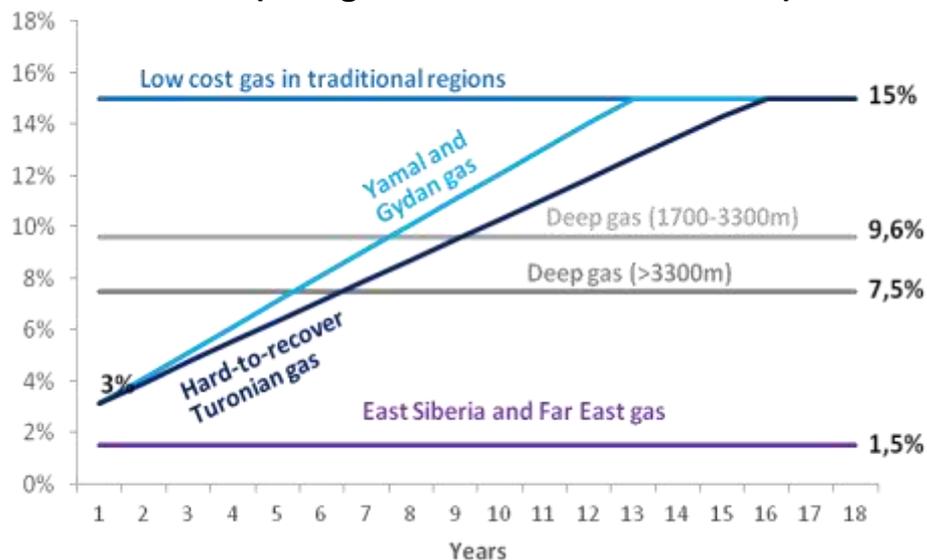
Some innovations in Russian gas regulation's policy (from Rosneft presentation)

$$MET = 15\% * Revenue * K_{reduction} - \text{Transport coef.}$$

Russia gas production breakdown\*



Tax rate (% of gas and condensate revenue)



## Implications for Gas Industry

- ✓ New clear and transparent taxation rules for gas producers
- ✓ Taxation regime depends on specific parameters of gas fields
- ✓ More favorable conditions for both legacy fields (tax relief for depleted fields) and new projects:
  - Deep gas
  - Hard-to-recover Turonian gas
  - Gas in frontier regions:
    - Yamal and Gydan fields
    - East Siberia and Far East
- ✓ Protection against transportation tariff growth through transport coefficient (50% compensation of "over-inflationary" growth)

Gas industry becomes more attractive for investors