Russian Energy Policy: Security, Efficiency and Diversification

First Meeting of BRICS Committee of Senior Energy Officials

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Energy Sector in the Russian Economy



> 20%
National GDP



> 30%
Budget Revenues



> 60%
Export Value

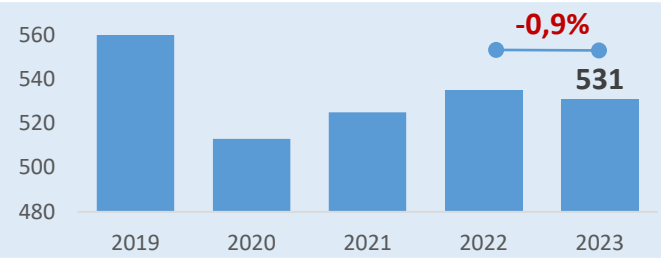
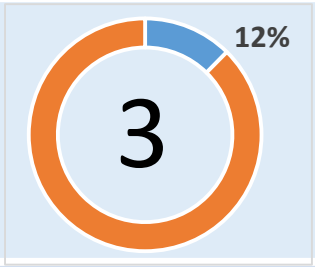
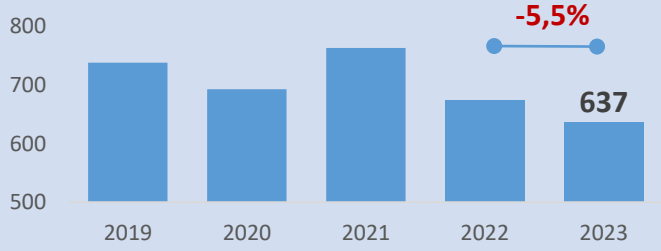
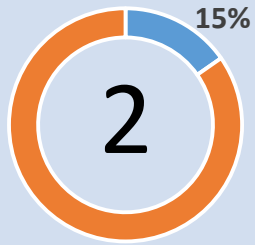
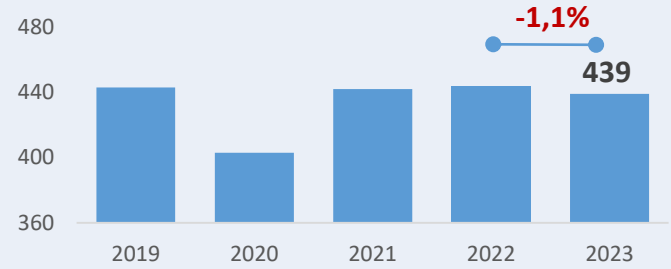
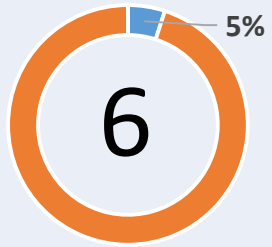
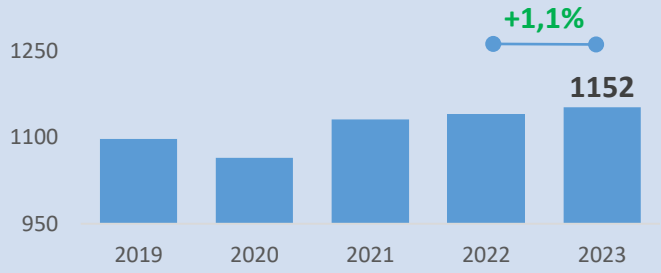
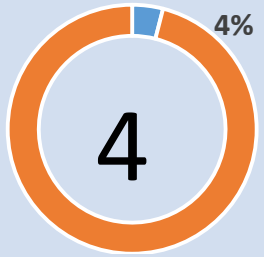


> 2,7
Mln People



> $76 Bln
Investments

Russian Energy Sector in the Global

Oil Production, Mt **-0,9%**			1. US 2. Saudi Arabia **3. RUSSIA** 4. Canada 5. Iraq
Natural Gas Production, Bcm **-5,5%**			1. US **2. RUSSIA** 3. Iran 4. China 5. Qatar
Coal Production, Mt **-1,1%**			1. China 2. India 3. Indonesia 4. US 5. Australia **6. RUSSIA**
Electricity Generation, TWh **+1,1%**			1. China 2. US 3. India **4. RUSSIA** 5. Japan

Russian Energy Sector: Key Improvements 2023 (y-o-y)

Oil

- **+2,7%** Primary Oil Refining
- **+3,1%** Gasoline Production
- **+3,5%** Diesel Production
- **84,1%** Oil Refining Depth

Natural Gas

- **+2,8%** Domestic Gas Sales
- **+29,4%** Gas Fuel Consumption
- **73,8%** Gasification Level

Coal & Electricity

- **+2,9%** Coal Processing
- **+36,6%** Coal Investments
- **+1,4%** Electricity Consumption
- **8,9 TWh** Solar & Wind Generation



Since 2022, Russia has managed to redirect major export flows to friendly countries:

- **from 40 to 86%**
- **from 36 to 76%**
- **from 46 to 85%**

Ecosystem of Energy Strategic Documents of the Russian Federation

- **Strategy of Scientific and Technological Development** (2016)
- **National Spatial Strategy** up to 2025 (2019)
- **Energy Security Doctrine** (2019)
- Decree of the President of RF "On the National Development Goals of the RF for the period up to 2030" (2020)
- **National Security Strategy** (2021)
- **Low-Carbon Emissions' Strategy** up to 2050 (2021)
- **Climate Doctrine** (2023)
- The Concept of Technological Development up to 2030 (2023)



Energy Strategy of Russia



- **Economy Outlook** of the RF up to 2036
- **Scientific and Technological Outlook** of the RF up to 2030
- **Strategy Outlook** of the RF up to 2035
- **Economic Security Strategy** of the RF up to 2030
- **Ecological Security Strategy** of the RF up to 2030
- **Mineral Resources Strategy** of the RF up to 2035

National Energy Objectives



Affordable guaranteed provision of the domestic market with energy products and services and effective realization of the energy export potential



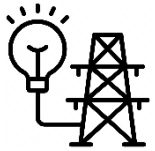
Energy security, technological financial, human resources sovereignty and competitiveness of the Russian energy sector



Greenhouse gas emissions reduction towards carbon neutrality by 2060

National Energy Priorities and Principles

National Energy Priorities



Priority provision of energy resources to meet the needs of the domestic market



Creating maximum added value, deep refining of oil & gas development



Ensuring a technological, financial, and human resources sovereignty of Energy Sector

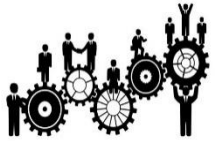


New geography of energy exports

Main Principles



Economic efficiency of the decisions and actions taken



Rational combination of state regulation and market-based mechanisms



Environmental and social responsibility (ESG)

Key Global Challenges: View from Russia



- Increased energy market volatility due to the unbalanced climate policies of the EU and G7 countries
- Shifting energy demand centers to Asia-Pacific region, primarily China and India
- Global Energy Mix changes: gradual Coal and Oil substitution by Natural Gas and RES
- Rapid growth of electricity in the global final energy consumption
- Rapid advances in alternative energy technologies, including the use of hydrogen, carbon capture and storage (CCUS), and recycling
- Increased competition in the global energy market due to the emergence of new oil & gas producers and exporters
- Increasing the cost of energy projects and the required amount of investment to cover global energy demand

Oil & Gas Sector

Key Challenges

- **Growth of demand for oil, petroleum products, gas, at least, up to 2030** against the global underinvestment in production projects
- **Shifting oil, petroleum products and gas demand centers from EU and G7 countries to developed countries, primarily of Global South**
- **Possible falling in global fossil fuel prices** due to the growing competition of oil & gas exporters
- **Increasing role of natural gas as a bridge fuel** for a low-carbon energy transition
- **Increasing the volume of global LNG trade**
- Growing role of natural gas in hydrogen production

National Targets

- **International cooperation to balancing the global oil market (OPEC+)**
- **New Oil & Gas regions development**
- **Export infrastructure development including The Northern Sea Route and NSTC**
- **Providing the needs of the domestic market and guaranteeing the supply of petroleum products to EAEU markets**
- **Deep oil & gas refining to ensure domestic market by own commodity polymers**
- **Gasification and economically efficient satisfaction of domestic gas demand**
- **LNG equipment and LNG fleet development**
- **Ensuring the reasonable inter-fuel competition**

Coal Sector

Key Challenges

- **Growth of demand for coal, at least, up to 2030** against the global underinvestment in production projects
- **Shifting coal demand centers from EU and G7 countries to developed countries, primarily of Global South**
- **Growing pressure on the Sector from global climate policy, including carbon tax improvements**
- **Improving the quality and expanding the range of coal products, intensifying the processing of extracted coal**

National Targets

- **Development of new coal reserves (Eastern Siberia, East and Arctic zone)**
- **Enrichment, deep processing and coal chemistry development to ensure the high added value of Coal sector**
- **Ensuring domestic market needs**
- **Export infrastructure development including railroads and port infrastructure**
- **Improving the exchange mechanisms for the sale of coal products**
- **introduction of innovative and environmentally friendly coal mining technologies**
- **Ensuring technological independence of Coal Sector**

Electric Power and Heat Supply Sector

Key Challenges

- **Development and improvement of economic efficiency for alternative energy technologies (**RES, hydrogen, industrial storage systems, waste recycling)
- **Rapid growth of microgeneration and decentralized energy systems**
- **Increasing demand for the construction of nuclear and hydroelectric power plants** in developing countries
- **Need for significant investments** in the modernization and reliability of energy infrastructure
- **Need for use of AI, new tools and business models** to the wholesale and retail markets of electric energy and capacity

National Targets

- **Improving the reliability and quality of power and heat supply to end consumers**
- **Ensuring the timely provision of electricity and heat to meet domestic market needs**
- **Ensuring the technical independence of the Unified Energy System of Russia**
- **Development of small and medium nuclear power plants to provide energy for remote and hard-to-reach territories**
- **Development & implementation of Closed Nuclear Fuel Cycle Technology**
- **Improving the efficiency of RES to achieve price parity with traditional generation**
- **Development of Hydrogen Energy**

Energy International Cooperation:Towards Diversification and Multiformity



Thank you for your attention!

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