4. Oil and Gas Emergency Exercises

4-5. Possible Future Activities for Oil and Gas Security in APEC

- Proposal of APEC Oil and Gas Security Initiative (OGSI) -

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1. Introduction

- Given the existing and emerging challenges to oil and gas security in the APEC region, activities for oil and gas security by APEC should be continued in the future.

- **The APEC Oil and Gas Security Initiative (OGSI)** should succeed the APEC Oil and Gas Security Exercises (OGSE).

- The OGSI will address various issues relating to APEC oil and gas security and will consist of **three overarching activities**:
New Launch of APEC Oil and Gas Security Initiative (OGSI)

1. Voluntary Implementation of Oil and Gas Security Exercise (OGSE) by APEC Economies
   - To establish “Oil and Gas Security Exercise Model Procedure (EMP)”.
   - To assist voluntary exercises by dispatching APERC researchers and/or registered experts from IEA, ASEAN institutions, IEEJ, etc. upon the request of each Economy.

2. Establish APEC Oil and Gas Security Network (OGSN)
   - Members: In principle, government officials responsible for policy related to oil and gas security in each Economy
   - Secretariat: APERC
   - Major projects
     - Information Sharing and Transmission through Mailing List
       To transmit updated information on oil and gas security through publishing “Newsletter”.
     - OGSN Forum
       To hold the OGSN Forum for delegates from each Economy once a year in principle, in order to share information and exchange views on oil and gas security and also jointly discuss how to improve emergency preparedness.

3. Publish Oil and Gas Security Studies (OGSS)
   - To research on issues related to oil and gas security and publish one or two reports per year as part of an Oil and Gas Security Studies (OGSS) series.
   - The OGSS series will be presented at OGSN Annual Forum and uploaded to APERC’s homepage. A limited number of prints will be distributed to APEC EWG members.
   - Examples of research themes for the OGSS Series include:
     a. The potential impact of political and social instability in the Middle East on APEC’s oil and gas security.
     b. The impact of Arctic melting on new opportunities for oil and gas resources and trade routes.
     c. The current situation of oil and gas storage in the APEC region and possibility of building a stockpile system.
2. Voluntary Implementation of Oil and Gas Security Exercise (OGSE) by APEC Economies

• APEC Economies’ demand for energy, oil and natural gas in particular, continues to rapidly grow. However, the international energy situation is not so stable.

• Increasingly frequent natural disasters can cause sudden disruptions to energy supply.

• APEC Economies should continue to carry out security exercises in order to improve their emergency preparedness.

• Such exercises are often difficult to organize for international organizations like APERC, as they inevitably involve sensitive information related to national security.
2. Voluntary Implementation of Oil and Gas Security Exercise (OGSE) by APEC Economies

⇒ APEC should strongly encourage APEC Economies to implement the Oil and Gas Security Exercise (OGSE) voluntarily.

- In order to facilitate this voluntary Exercise, APERC will establish an “Oil and Gas Security Exercise Model Procedure (EMP)” based upon its experience with the APEC Oil and Gas Security Exercises, and supply the EMP to each Economy.

- APERC will also dispatch APERC researchers and/or registered experts from IEA, ASEAN institutions, IEEJ, etc. upon the request of each Economy, as far as APERC budget allows, in order to assist the voluntary Exercise.
3. Establish the APEC Oil and Gas Security Network (OGSN)

- In order to improve oil and gas security, information exchange among APEC Economies is very useful, particularly in emergency situations.

- While the Real-Time Emergency Information Sharing System (RTEIS) still exists, it needs fundamental reforms.
  - Information on petroleum prices supplied by RTEIS is easily available through other media.
  - A chat system of RTEIS has not been utilized by APEC Economies’ senior officials.

⇒ It is better to establish an APEC Oil and Gas Security Network (OGSN) in order to encourage information sharing and transmission through a mailing list, which will replace the existing RTEIS.
3. Establish the APEC Oil and Gas Security Network (OGSN)

- **Members of OGSN:** Government officials responsible for policy related to oil and gas security in each Economy.

- **Secretariat of OGSN:** APERC
  - To maintain the mailing list of OGSN once a month.
  - To publish the OGSN “Newsletter” monthly in order to transmit updated information on oil and gas security.

- **The OGSN Forum:** For delegates from each Economy once a year in principle,
  - To share information on oil and gas security;
  - To exchange views on oil and gas security;
  - To jointly discuss how to improve emergency preparedness.
4. Publish the Oil and Gas Security Studies (OGSS)

- APERC will research issues related to oil and gas security and publish one or two reports per year as part of the Oil and Gas Security Studies (OGSS) series.

- Examples of research themes for the OGSS Series will include:

  - The potential impact of political and social instability in the Middle East on APEC’s oil and gas security;
  - The depletion of conventional oil and gas resources in the APEC region and the danger of “resource nationalism”;
  - The amendment of the Mexican Constitution and its impact on upstream development of oil and gas;
  - The challenge and potential of unconventional oil and gas resources;
4. Publish the Oil and Gas Security Studies (OGSS)

- Examples of research themes for the OGSS Series will include:
  
  [Distribution issues]
  
  - The contribution to energy security by the ASEAN Gas Pipelines;
  - The increase in natural gas utilization in China by gas pipelines with the Central Asia;
  - The supply disruption risk of oil and gas in sea lanes and the possible responding measures;
  - The impact of Arctic melting on new opportunities for oil and gas resources and trade routes;
  - The contribution to energy security from an internationally connected power grid;
4. Publish the Oil and Gas Security Studies (OGSS)

- Examples of research themes for the OGSS Series will include:
  [Stockpiling and interchange issues]
  - The current situation of oil and gas storage in the APEC region and the possibility of building a stockpile system;
  - The Implementation of ASEAN Petroleum Security Agreement (APSA) and the possibility to expand it to the whole APEC region;
  - The possibility of LNG interchanging system for gas supply security in ASEAN countries;

  [Alternative energy issues]
  - The current situation and problems of nuclear energy development in the APEC region as an alternative power source to oil and gas power;
  - The feasibility of Integrated Fast Reactor (IFR) and its impact on the supply and demand situation of oil and gas;
5. Conclusion

- With the approval of EWG47, APERC will include the proposal of OGSI (to implement OGSE voluntarily, to establish OGSN and to publish OGSS) to the final report of APEC OGSE which will be submitted it to EMM 11 in 2-3 September 2014 at Beijing, China.

- Upon the approval and instruction of EMM 11, APERC will launch OGSI in order to continuously improve oil and gas security in the APEC region.