General Observations

1. World’s largest industry
2. Strategic and deeply politicised
3. Fuel of society
4. Interdependence
5. Investment and trade
6. Source of puzzlement
Observation One

“If you had to name the world’s largest industry, which would you pick?”

“Energy is the biggest business in the world; there just isn’t any other industry that begins to compare.”
Observation Two

Energy is the most strategic and deeply politicised resource sector: at national, regional and international levels.
Observation Three

“It is a truth universally acknowledged…”

that energy is the very fuel of society, and societies without constant access to competitive energy suffer.
Observation Four

Energy interdependence simplified:

Security of supply
Sustainable economic growth
Energy efficiency and environmental protection
Observation Five

**Investment and trade are two essential ingredients**

“Good markets need good governments that protect individual rights, especially property rights, and provide a stable framework for economic activities.”
Figure 1: What policies are needed to help meet world power demand growth in the period to 2030?

**Most important**

<table>
<thead>
<tr>
<th>Policy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A regulatory environment that encourages network investment</td>
<td>80%</td>
</tr>
<tr>
<td>Increased interconnection between different electricity systems</td>
<td>76%</td>
</tr>
<tr>
<td>Fast-track planning and permitting procedures for strategic infrastructure</td>
<td>76%</td>
</tr>
</tbody>
</table>

**Medium important**

<table>
<thead>
<tr>
<th>Policy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand-side management schemes</td>
<td>69%</td>
</tr>
<tr>
<td>A liquid wholesale electricity market</td>
<td>68%</td>
</tr>
<tr>
<td>Renewable generation subsidies</td>
<td>66%</td>
</tr>
<tr>
<td>Subsidies and grants for new technology (e.g. CCS, tidal power, etc.)</td>
<td>52%</td>
</tr>
<tr>
<td>Energy efficiency subsidy schemes</td>
<td>52%</td>
</tr>
</tbody>
</table>

**Least important**

<table>
<thead>
<tr>
<th>Policy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>The unbundling of transmission from other utility market activities</td>
<td>43%</td>
</tr>
<tr>
<td>Further market liberalisation</td>
<td>38%</td>
</tr>
<tr>
<td>The unbundling of distribution networks</td>
<td>31%</td>
</tr>
<tr>
<td>A minimum carbon price to help support nuclear new build</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: 12th PwC Annual Global Power & Utilities Survey
Observation Six

I am confused and puzzled…
THE ENERGY CHARTER (1991)
A POLICY FRAMEWORK FOR GLOBAL ENERGY GOVERNANCE

OBJECTIVES
- Improving security of energy supply and demand
- Maximising efficiency
- Enhancing safety and minimising harmful environmental impact

PRINCIPLES
- Development of trade in energy
- Co-operation in the energy field
- Energy efficiency and environmental protection

IMPLEMENTATION
- Channelling energy resources
- Non-discrimination and market-oriented price formation

OBJECTIVES
- Access to and development of energy resources
- Access to markets
- Liberalisation of trade in energy
- Promotion and protection of investments
- Safety principles and guidelines
- Research, technological development, innovation and dissemination
- Energy efficiency and environmental protection
- Education and training

MANDATE

LEGAL FRAMEWORK

- Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects
- Amendment to the Trade-Related Provisions of the Energy Charter Treaty

- Prospecting, Transportation and Production of Oil and Gas Products
- Modernisation of Power Stations, Interconnection of Power Networks and Transmission of Electricity
- Development of Renewable Energy Sources

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Signatories of the Energy Charter Treaty
Albania, Armenia, Australia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, European Community (now part of the European Union) and Euratom, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Mongolia, the Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, United Kingdom, Uzbekistan

Signatories of the Energy Charter
Afghanistan, Canada, Indonesia, Jordan, Pakistan, Serbia, Syria, United States of America

Observers to the Energy Charter Process
Algeria, Bahrain, China, Egypt, Iran, Republic of Korea, Kuwait, Morocco, Nigeria, Oman, Palestinian National Authority, Qatar, Saudi Arabia, Tunisia, United Arab Emirates, Venezuela

ASIAN, BSEC, CEPI, CDB Electric Power Council, EBRD, IEA, OECD, UN-ESC, World Bank, WTO