The UK’s Global Gas Challenge: An Introduction

Professor Mike Bradshaw
Why a Global Gas Challenge?

• There is great uncertainty about the future role of natural gas in the global (EU, UK) energy mix.

• At the same time, what is certain is that the UK will be increasingly import dependent when it comes to satisfying domestic gas demand.

• That said, there is also uncertainty about the future role of natural gas in the UK’s energy mix: is it part of the problem or part of the answer?

• Nonetheless, as the UK will be importing more natural gas in the future, policy makers need to understand the factors that will influence future global gas security.
Uncertainty over gas demand!

Source: European Energy Review
Annual UK Gas Demand Forecast Range

Source: National Grid
The UK Gas Balance

- UKCS
- NCS
- Interconnectors
- LNG
- Storage
Source: DECC
National Grid ‘Gone Green’ Gas Supply to 2030

% Import Requirement

Actual | Forecast

Import Dependency

UKCS traditional
Unconventionals
LNG
Continent
Annual Demand inc Exports

bcm / year
A Re-orientation of domestic gas flows

Source: National Grid 2011
Multiple Transitions

• A globalizing gas industry that is in transition—shale gas, pricing/contracting and market integration.

• A UK energy system is transition from a high level of fossil fuel self-sufficiency to rapidly increasing import dependence.

• A UK energy system that is in transition to a low-carbon future—80% reduction in GHG emission by 2050, 50% by 2030.
Today’s Event

Aim: to explore some of the key global issues likely to affect UK gas security.

Sponsored by the Energy Security in a Multipolar World Research Cluster (EPRSC/ESRC)

Organized by the Global Gas Security Research Project (UKERC)
Aims:

1) To develop a conceptual framework and methodology to analyse global gas security and governance.

2) To identify the geopolitical drivers, actors, issues and risks shaping global gas security to the late 2020s (end of 4th Carbon Budget).

3) To assess their consequences for the UK’s energy strategy and low carbon transition.
The Geopolitical Economy of Global Gas Security and Governance: Implications for the UK

Objectives

**Phase 1**
1) The development of a geopolitical economy approach to global gas security.

**Phase 2 (Case Studies)**
2) Analysis of the geopolitics of Eurasian gas exports.
3) Analysis of the geopolitical consequences of the unconventional gas revolution.
4) Analysis of the globalization of the LNG supply chain.

**Phase 3**
5) Assessment of implications for the UK.
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<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tr>
<td>10:30 - 11:00</td>
<td>The UK’s Global Gas Challenge: An Introduction</td>
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<td>Prof Mike Bradshaw, University of Leicester</td>
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<td>11:00 - 11:40</td>
<td>International Gas Markets and GB Gas Security Policy</td>
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<td>Dr Pierre Noël, EPRG, University of Cambridge</td>
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<td>11:40 - 12:20</td>
<td>Gas Pricing in Transition: Different Issues in Different Regions</td>
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<td>Prof Jonathan Stern, OIES</td>
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<td>12:20 - 1:00</td>
<td>The New Energy Orient</td>
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<td>John Mitchell, Chatham House</td>
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<td>1:00 - 2:00</td>
<td>LUNCH BREAK</td>
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<td>2:00 - 2:40</td>
<td>Challenges to Sustaining the Shale Gas Revolution</td>
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<td>Joseph Dutton, University of Leicester</td>
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<td>2:40 - 3:20</td>
<td>The Global LNG Business in Transition</td>
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<td>David Ledesma, South-Court Ltd. And OIES</td>
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<td>3:20 - 3:40</td>
<td>TEA BREAK</td>
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<td>3:40 - 4:30</td>
<td>Panel Discussion</td>
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Thank you

Contact: mjb41@le.ac.uk