



CONCEPT NOTE

REGIONAL WORKSHOP ON “OIL & GAS PRICING PARAMETERS INFLUENCING ENERGY EFFICIENCY AND RENEWABLE ENERGY ACTIVITIES”.

KUWAIT, 24 APRIL 2013

I. Background and justification

Global oil and gas consumption continue to dominate the energy mix (58% of world's primary energy). With such a weight, oil and gas have influence on the performance of all productive sectors with varying degrees. As such, Renewable Energy (RE) and Energy Efficiency (EE) are affected by the conventional fossil fuel's prices in the ESCWA region. Except in some minor cases, where the coal is used, such as in Morocco, Oman, etc... the reliance is on oil derivatives and natural gas. In addition the activities in the fields of EE and RE are particularly affected by the price fluctuation as their output directly competes with oil and gas commodities. Understanding the affecting parameters related to oil and gas also contributes to better energy planning. Therefore, it is of high importance for those in charge of renewable energy and energy efficiency projects, as well as planners, investors and decision makers, to be aware of oil and gas parameters influencing energy in addition to be well versed in the pricing methodology.

In that respect, identifying the oil and gas parameters and understanding how and why their price fluctuate will enhance the capacities of professionals in the energy sector, strategic planners and decision makers to better foresee trends in EE and RE research, development and marketing as well as to better plan EE and RE policies and programs.

The Economic and Social Commission for Western Asia (ESCWA) and the Kuwait Institute for Scientific Research (KISR) will be organizing the workshop “Oil & Gas Pricing Parameters Influencing Energy Efficiency and Renewable Energy Activities” in response to the deliberations that took place among participants to the “Intergovernmental Consultation Meeting on the Water and Energy Nexus in the ESCWA Region” held in June 2012. Participants, consisting of high

level officials that are members of the two ESCWA Committees on Water and Energy identified this topic as a priority capacity development need issue.

II. Objective

The Regional Workshop on “Oil & Gas Pricing Parameters Influencing Energy Efficiency and Renewable Energy Activities” will be organized with the aim of building the capacity of regional stakeholders and promoting the exchange of experience and lessons learnt. The objective of the workshop is as follows:

- a. Enable the participants to understand the economics of oil and gas from a supply and demand perspective and the different factors and actors involved in determining cost and pricing.
- b. Build the capacity of participants to relate the effects of pricing on the prospects of RE and EE actions
- c. Relate oil and gas market pricing to climate change
- d. Identify priority technical areas for developing capacity building programs for policy makers and technical personnel in addressing economic and pricing dimensions to enhance sustainable energy for all while ensuring economic soundness.

Participants will be introduced to the subject through a series of presentations and panel discussions.

III. Preliminary draft agenda

Day 1	
09:00-09:30	Introduction to the workshop
09:30-11:00	<u>Session 1</u> Renewables and Hydrocarbons Interaction <ul style="list-style-type: none">• Hydrocarbon definition• Interaction between renewable and hydrocarbons• Conclusions Oil and Gas Fundamentals <ul style="list-style-type: none">• Oil production• Natural gas production and reserves
11:00-11:30	Tea Break
11:30-13:00	<u>Session 2</u> Oil and Gas Industry <ul style="list-style-type: none">• Oil refining• Natural gas transportation• Natural gas storage• Natural gas use
13:00-14:30	Lunch break
14:30-16:00	<u>Session 3</u> Oil and Gas Contracts and Pricing <ul style="list-style-type: none">• Markets• Contracts• Prices

IV. Participants

Participants are mainly ESCWA member countries' Committee on Energy representatives, and some experts working in the region.

V. Date and venue

The workshop will be held at KISR premises in Kuwait on 24 April 2013.

VI. Language

Arabic and/or English (accompanied by simultaneous interpretation) will be used during the workshop.