

IEA Role in Global Energy Security

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Overview

- Within the IEA, the Emergency Policy Division (EPD) focuses on short-medium term energy security issues.
- In addressing these issues we aim to increase the resilience of Member country energy systems, and ability to cope with extreme events – including weather related
- Initial focus on oil - gas and electricity now also included
- Resilience is key to emergency preparedness: ability to adapt to challenges and emergencies whatever the cause
- IEA assesses Member country emergency preparedness and provides recommendations for improvement through peer review processes and emergency response exercises



Energy security relies upon well functioning markets

- Market balances supply & demand smoothly
- Sufficient network interconnections
- Diversity of supply sources (countries & fuels)
- Robust infrastructure for seasonal fluctuations (ports, pipelines, storage)
- Appropriate Government regulations (e.g. Public Service Obligations)

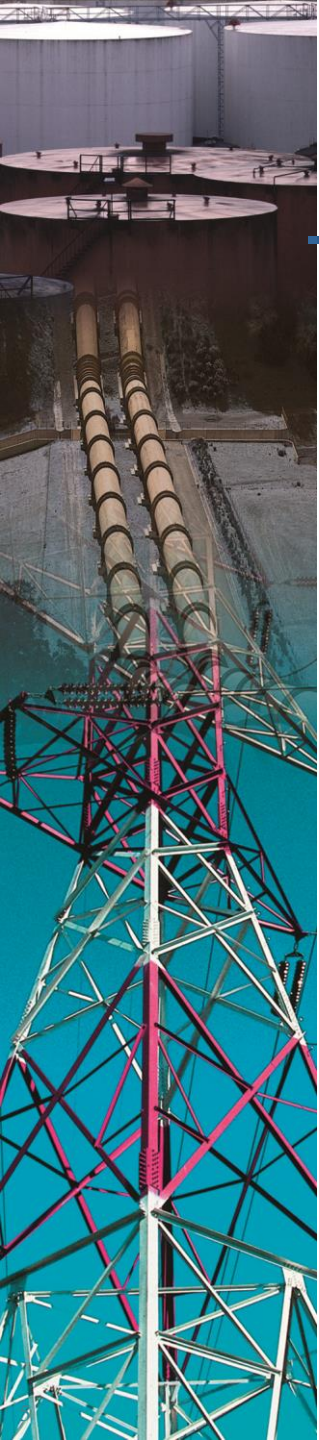


Energy security wider than oil

- IEA has broadened concept of energy security to cover natural gas & electricity
- Similar to oil security framework, emergency policies for gas & electricity need to be:
 - *For defined emergencies only*
 - *Not for seasonal fluctuations*
 - *Designed for specific situations of country / region*
 - *Set out in Code of Operations or equivalent*
- **But** significant differences:
 - *Regional rather than global markets*
 - *Regulation of distribution / public service obligations*
- IEA working with member countries on emergency response policies for gas & electricity

Strengthening Emergency Response Systems

- **Emergency Response Reviews (ERR)**
 - ◆ *Country peer reviews on emergency preparedness*
 - ◆ *Checks procedures & institutional arrangements*
 - ◆ *Contributes to identify & improve weak points*
- **Emergency Response Exercises (ERE)**
 - ◆ *Test processes for: decision making, communicating, hypothetical release*
- **Broadening of energy security concept**
 - ◆ *Emergency policies for natural gas*
 - ◆ *Electricity security issues*



Emergency Response Exercise

- Biannual exercises continue (ERE6 held in Paris in Nov 2012; ERE7 will be held in Nov 2014)
- Specific workshops for new or complex issues/policy
- Rollout of EREs to key Non-Member Countries



Increasing Member country resilience

- **Process of ongoing improvement: e.g. US response to Gulf Coast Hurricanes & Tropical Storm Sandy**
 - *Since 2005 Hurricane Katrina: ongoing hardening of Gulf Coast refinery infrastructure*
 - *Since 2012 Sandy: establishment of Federal NE Regional Refined Product Reserve and announcement of NY State fuel reserve*
 - *Important that Federal and State governments harmonize procedures for emergency deployment*
- **Growth of “all hazards” approach to critical infrastructure risk management**



Summary Messages

- Threats to energy security come from many sources
- Flexibility is crucial with efficient & transparent markets accompanied by resilient government policies and energy infrastructure
- Government policies must complement efficient markets
 - *Policy, legal & regulatory certainty / consistency*
 - *Avoid crowding out investment in clean & innovative technologies*
 - *Promotion of energy efficiency & demand response*
 - *Effective emergency response varies by energy source*

The background is a complex collage. A world map is visible, with the landmasses in a light blue/white color against a darker blue background. Overlaid on the map are industrial elements: on the left, several large, parallel pipes or conduits run diagonally; on the right, a tall, red and white lattice power transmission tower stands prominently. The overall color palette is dominated by blues, greys, and the red of the tower.

Thank you

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