



**Asia-Pacific
Economic Cooperation**

2019/EWG58/019

Agenda Item: 9b

Oil and Gas Security Initiative

Purpose: Information
Submitted by: APERC



**58th Energy Working Group Meeting
Antofagasta, Chile
16-17 October 2019**

9.b. Oil and Gas Security Initiative (OGSI)

The 58th Meeting of APEC Energy Working Group (EWG)
Antofagasta, Chile; 16-17 October 2019

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9.b. (1) Introduction of OGSi

- **APEC Oil & Gas Security Initiative (OGSI)** was approved as an APEC self-funded project in EWG 48 in November 2014 in Port Moresby, Papua New Guinea.
- APEC Energy Ministers instructed “the **EWG**, with the support of **APERC** and other organizations such as IEA to strengthen oil and gas emergency response mechanisms in the APEC region through **OGSI**” in the 12th EMM in October 2015 in Cebu, the Philippines.
- **OGSI** consists of three pillars:
 - **Oil & Gas Security Exercise (OGSE)** on a voluntary basis
 - **Oil & Gas Security Network (OGSN)** by officials in charge of oil and gas security policy in each economy
 - **Oil & Gas Security Studies (OGSS)** on research topics related to oil and gas security in the APEC region

9.b. (2) Progress of OGSI: OGSE in Chile

- **The fourth OGSE** was conducted in Chile on 13-15 March 2019.
- **30 representatives** from government agencies and energy companies participated in the exercise.
- The review team was consisted of 7 experts and 4 APERC research staff
- Participants were briefed about a hypothetical supply disruption scenario without prior notice (1st day: oil, 2nd day: gas). Then they discussed the response to the situation and presented it to the review team.
- The final report was submitted to the Chilean government.
- The report will be available at APEC and APERC's websites after its endorsement by EWG.

9.b. (3) Progress of OGSI: OGSN

- Networking of **officials in charge of oil and gas security policy** in APEC economies through **Oil and Gas (OGS) Newsletters** and **Oil and Gas Security Network (OGSN) Forum**
- **29 bi-monthly OGS Newsletters** were already issued and circulated since **December 2014**.
 - Oil update
 - Gas update
 - Middle east update
 - Interview with expert
 - Upcoming event
 - Highlights (oil/gas prices)
- **The 5th OGSN Forum** was held in Sendai, Japan on 10 and 12 April 2019 in conjunction with **The 2nd EGCFE Oil & Gas Meeting** on 11 April.
 - **Delegates** from **16 APEC economies**
 - **Experts** from **IEA, ACE, ERIA** and **OLADE**
 - **Reports** on **OGSE in Chile** and **OGSS 2018/2019**
 - **Update** on **Oil & Gas Security** by **economy delegates**
 - **Site visit** to **Sendai LNG terminal**

9.b. (4) Progress of OGSI: OGSS

- **16 studies** were published after endorsement by EWG.
- **The latest two studies** were published in the second half of 2019.
 - **Emerging energy security risks in changing global energy landscape**
 - *The increasing penetration of VRE in power sector presents various risks for power supply stability. Suggest APEC economies employ new power market design such as capacity mechanism and upgrade power storage system to mitigate these risks.*
 - **Small-scale LNG in the Asia-Pacific region**
 - *Small-scale LNG provides an alternative for gas supply with lower initial investment, faster construction, better accessibility to remote areas and greater operational flexibility; despite facing challenges for wider expansion.*
- **A new study** has started since April 2019.
 - **Changing LNG market dynamics – impacts on supply security in the APEC region**
- **APERC welcomes any suggestions on OGSS topics.**

9.b. (5) Future Plan of OGS

▪ OGSE

- The **5th OGSE** is scheduled to be hosted by Thailand in the first half of 2020.

APERC welcomes economies (in particular, economies planning to establish or improve oil and/or gas related security policy) to host future OGSE.

If interested, please contact master@aperc.iej.or.jp or APERC researchers.

▪ OGSN

- The **6th OGSN Forum** will be held in Tokyo, Japan in **April 2020**.
- The **30th issue** of **OGS Newsletter** will be released in **October 2019**.

▪ OGSS

- The study *“Changing LNG market dynamics – impacts on supply security in the APEC region”* is expected to be completed mid-2020.



Thank you for your kind attention.

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