

## **ENERGY SECURITY INITIATIVE IMPLEMENTATION PLAN**

### **PREPARED BY THE APEC ENERGY WORKING GROUP FOR THE THIRD APEC SENIOR OFFICIALS MEETING**

**14-23 AUGUST 2003**

#### **INTRODUCTION**

Energy is vital to realising the opportunities presented by economic growth and development for communities in the APEC region. Sustained economic growth is dependent on adequate, reliable and affordable supplies of energy.

APEC faces a range of energy security challenges, including its dependence on oil for energy production, fully utilising existing energy resources, expanding these resources through exploration and development, and realising the potential of alternative energy sources.

At their meeting in 2000, the APEC Economic Leaders identified the risks to the world economy posed by volatility in the oil market and called for appropriate measures to promote stability in the mutual interests of consumers and producers. In response the APEC Energy Working Group developed the Energy Security Initiative.

At their meeting in 2001 the APEC Economic Leaders determined to enhance counter-terrorism cooperation through strengthening of energy security in the region through the mechanism of the APEC Energy Security Initiative. At their meeting in 2002 the APEC Economic Leaders endorsed the strengthening of energy security in the region through the Energy Security Initiative.

The APEC Energy Ministers endorsed a number of recommendations under the Energy Security Initiative at their meeting in 2002 and directed the APEC Energy Working Group to promote its implementation. The recommendations fall into five key areas: oil data; sea-lane security; emergency information sharing; oil supply emergency responses; and longer-term and non-petroleum responses.

The APEC Economic Leaders and Energy Ministers have acknowledged that energy security is a vital issue for the APEC economies. The Energy Security Initiative is an important step towards responding to energy security challenges in the region and buttressing economic growth and development against threats to energy supplies. APEC member economies have already made significant progress towards implementing the recommendations of the Energy Security Initiative.

This implementation plan builds on APEC's achievements by identifying the key outcomes and timeframes for achieving these in each of the five areas of the Energy Security Initiative, and responds to the direction of APEC's Senior Officials at their second meeting in 2003 for the APEC Energy Working Group to develop an implementation plan, including timeframes where appropriate, for the Energy Security Initiative.

## **IMPLEMENTATION PLAN**

Recognising that energy security is vital to realising opportunities for economic growth and development in the APEC community, acknowledging the directions of the APEC Economic Leaders, Energy Ministers and Senior Officials, and taking consideration of APEC's fundamental principles of cooperation, voluntary participation and mutual respect, the Member Economies of the APEC Energy Working Group will pursue the following actions to support the implementation of the Energy Security Initiative.

### ***Monthly Oil Data***

The Joint Oil Data Exercise is intended to improve transparency in the global oil market by making improved and timely data available to participants. The Exercise is undertaken jointly by appropriate international organisations. The ultimate product of the Joint Oil Data Exercise will be a standardised and publicly accessible database which includes as many economies as possible and as large a portion of world oil supply and demand as possible.

The Member Economies of the APEC Energy Working Group will work together to:

- support the Joint Oil Data Exercise through the timely provision of accurate and complete monthly oil data to the Coordinating Agency, with all economies endeavouring to meet the data requirements of the Exercise by 2004 on a voluntary basis; the EWG will undertake capacity building in this area if required by a particular economy and for those economies undertaking this capacity building the 2004 timeline can be extended if necessary; and
- ensure the long-term future of the Joint Oil Data Exercise, by investigating options to establish a permanent coordinating mechanism between the appropriate international organisations involved.

### ***Sea-Lane Security***

The uninterrupted sea-transport of energy is a vital component of energy security in the APEC region. The Member Economies of the APEC Energy Working Group will work together to:

- review the efforts to improve maritime security already underway in other international fora, including the APEC Transportation Working Group and the International Maritime Organisation, by December 2003;
- identify what additional actions, if any, are required to address threats to sea-transport of energy in the APEC region, by 2004; and
- recommend actions to address these threats to the APEC Economic Leaders at their meeting in 2004.

### ***Real-Time Emergency Information Sharing***

The real-time exchange of information during oil supply disruptions and other energy emergencies will enable APEC Member Economies to accurately assess the nature of the emergency and develop appropriate responses. The Member Economies of the APEC Energy Working Group will work together to:

- as an interim measure, identify appropriate contacts in their economy, at a sufficiently senior level, to facilitate sharing of information in the event of an energy supply emergency, in 2003; and
- establish a permanent system for the real-time sharing of information in the event of an energy supply emergency, including with other relevant international organisations including the IEA, to be active by the end of 2004.

### ***Oil Supply Emergency Responses***

Energy supply emergency response plans ensure that all stakeholders, including government and industry, are aware of their responsibilities in the event of an energy supply emergency. These plans also have an important market calming effect, allowing stakeholders to deal with a crisis in a relatively stable environment. The Member Economies of the APEC Energy Working Group will work together to:

- develop a series of workshops and other events through which economies can share knowledge and experience on energy emergency response planning, by December 2003;
- arrange that, on a voluntary and rotational basis, one member economy reports on its energy emergency arrangements at each APEC Energy Working Group meeting; and
- utilise and participate in Implementation Facilitation Assistance Teams to share skills and knowledge in energy emergency response planning, beginning in 2004;
- examine the issues surrounding oil stockpiling as an emergency response measure, including by participating in a workshop on joint oil stockpiling as an option for interested economies in 2003.

### ***Non-Petroleum and Longer-Term Responses***

Non-petroleum and longer-term responses are vital to addressing APEC's energy challenges into the future. The Member Economies of the APEC Energy Working Group will work together to:

- convene a workshop in collaboration with the Energy Business Network to improve the skills and knowledge of energy industry participants in the area of financing energy infrastructure, in 2004;
- undertake a project addressing barriers to cross-border interconnection of gas networks, including liquefied natural gas, to commence in 2004;

- undertake a project examining the potential for the growth of gas as a clean energy source in APEC developing economies, to commence in 2004;
- undertake a project assessing the carbon dioxide geological sequestration potential of the APEC region, to commence in 2004;
- continue to support the APEC 21<sup>st</sup> Century Renewable Energy Development Initiative, by contributing to the Initiative's current projects and drawing on lessons learned from completed projects; and
- continue to develop projects which contribute to non-petroleum and longer-term responses to energy security and which recognise the close link between energy security and sustainable development, including energy exploration and development, energy supply diversification, energy efficiency and conservation, alternative fuels including hydrogen, and high efficiency vehicles.

### ***Review of the Energy Security Initiative***

This implementation plan recognises that energy security challenges are dynamic and that the responses necessary to address these challenges will evolve over time. The Energy Security Initiative must be sufficiently flexible to respond to emerging energy security challenges. The Member Economies of the APEC Energy Working Group will work together to:

- review the energy security situation in the APEC region to identify emerging energy security challenges, in 2004; and
- where necessary, make new recommendations to address these challenges, for inclusion in the Energy Security Initiative, in 2004.