



**Organization for Security and Co-operation in Europe  
Secretariat**

PC.DEL/895/10  
13 September 2010

ENGLISH only

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Conference Services

**OSCE Special Expert Meeting on Assessing the OSCE's Future  
Contribution to International Energy Security Co-operation**

**Vilnius, 13 – 14 September 2010**

**Session I (continued)**

**Existing energy arrangements and mechanisms, and other initiatives in energy security**

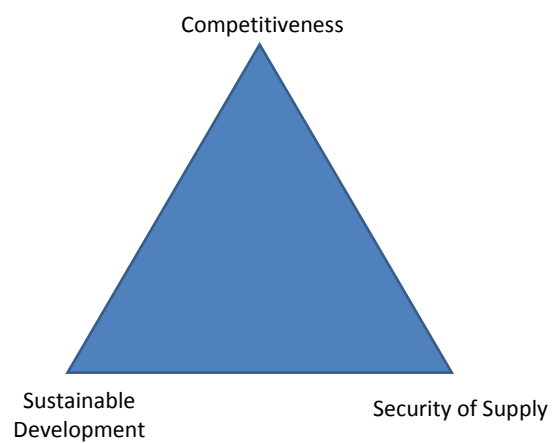
**Presentation by Mr. Stephen J. Gallogly, U.S. Department of State**

***U.S. APPROACH TO ENERGY SECURITY***

**SEPTEMBER 13, 2010  
VILNIUS, LITHUANIA**

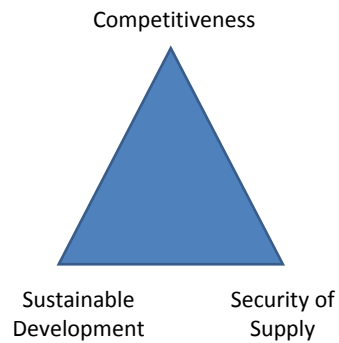
**STEPHEN J. GALLOGLY  
U.S. DEPARTMENT OF STATE**

**Energy Policy Objectives**



## U.S. Approach to Energy Security

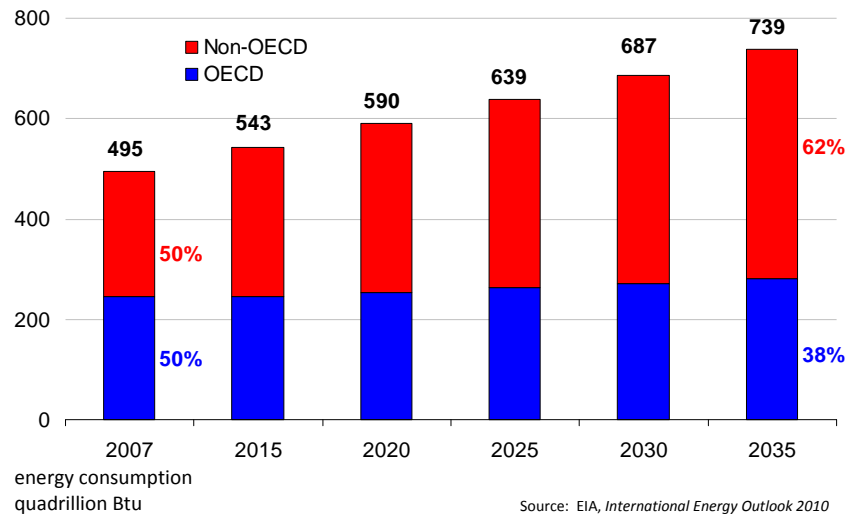
- Energy Efficiency and Renewables
- Reduce Oil Dependence
- Strategic Petroleum Reserve
- Governance Initiatives
- Market Functioning
- Expanding Collective Energy Security



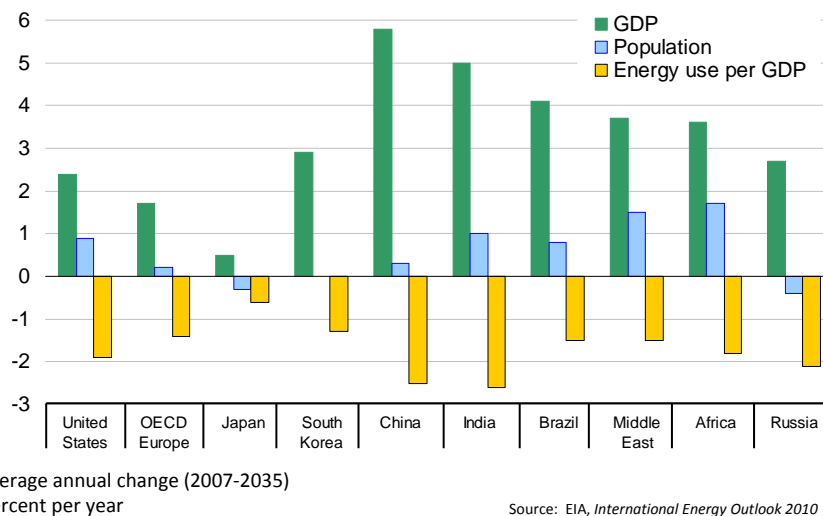
## U.S. implementing policies at home to improve energy security and address climate change

- Investing over \$80 billion in clean energy through the economic recovery act
  - \$36.7 billion for grants and loan guarantees for nuclear, clean coal, advanced renewable, energy efficiency, and smartgrid technologies.
  - \$2.3 billion in clean energy manufacturing tax credits
  - DOE's Advanced Research Projects Agency-Energy (ARPA-E) helps fund ambitious research
- Increasing Fuel Economy Standards 2012-2016 on average 5% per year, to 35.5 mpg
- Support for congressional action to advance comprehensive climate and energy legislation that would promote clean energy investments and improve energy efficiency
- Developing more stringent efficiency standards for appliances like refrigerators and microwaves
- Executive Order on Federal Sustainability requires Federal agencies to set a 2020 greenhouse gas emissions reduction target; increase energy efficiency; and reduce fleet petroleum consumption.

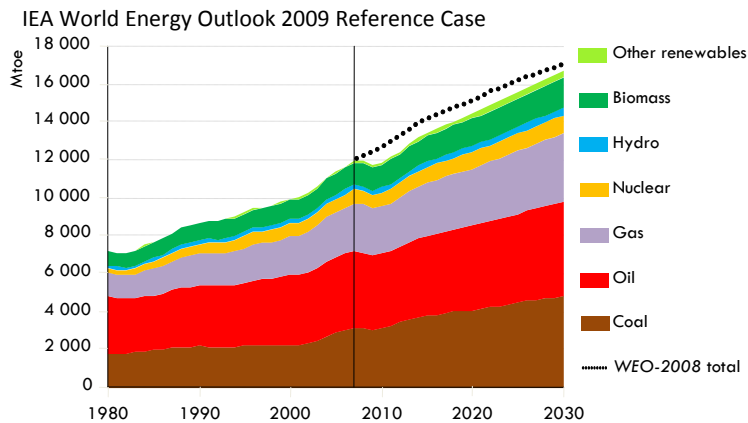
## Non-OECD countries will account for 86% of the increase in global energy use to 2035



## Energy efficiency improvements around the world will help curb demand growth



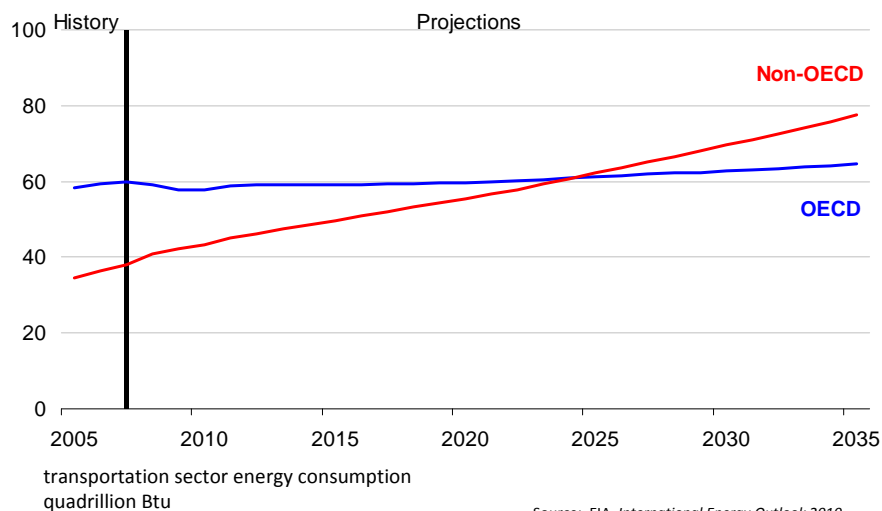
## Fossil Fuels will continue to be an important part of the global energy mix for the foreseeable future



*Global demand grows by 40% to 2030*

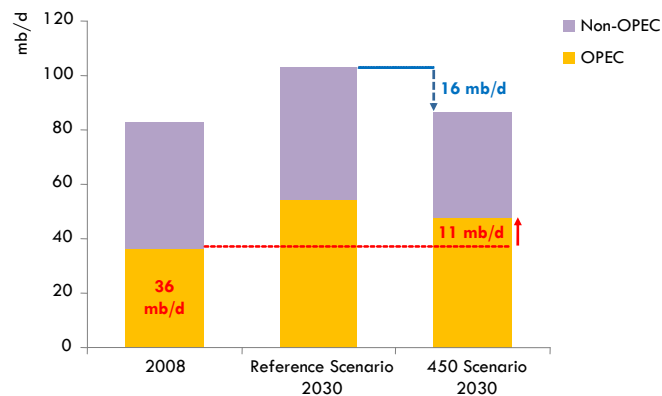
Source: IEA, WEO 2009

## OECD oil demand is flat, while non-OECD demand is growing strongly



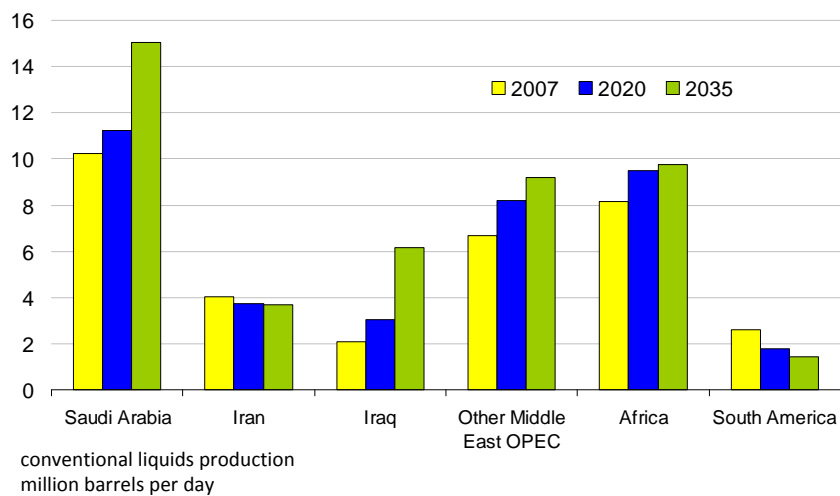
Source: EIA, International Energy Outlook 2010

## Even in a carbon-constrained world, we will need more oil production



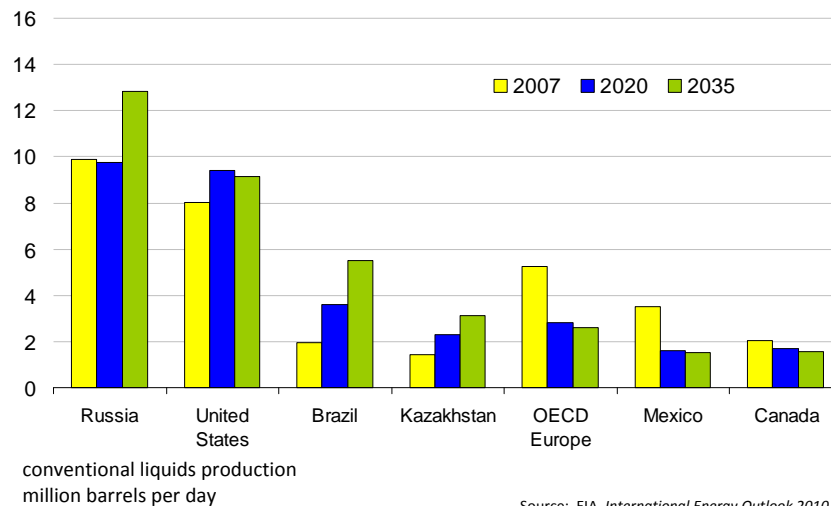
*Curbing CO<sub>2</sub> emissions would improve energy security by cutting demand for oil, but even in the 450 Policy Scenario, OPEC production increases by 11 mb/d between now and 2030*

## Growth in OPEC production of conventional liquids comes primarily from Saudi Arabia and Iraq

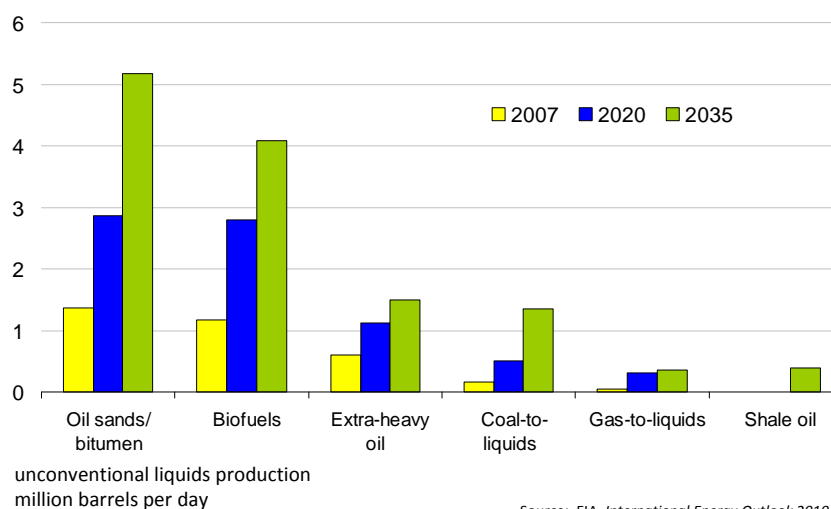


Source: EIA, *International Energy Outlook 2010*

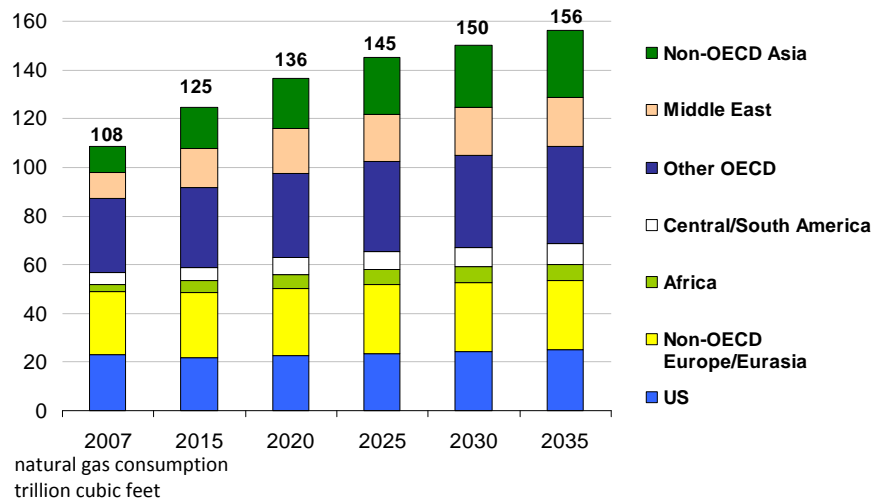
## Brazil, Russia, Kazakhstan, and U.S. lead increases in non-OPEC conventional supplies



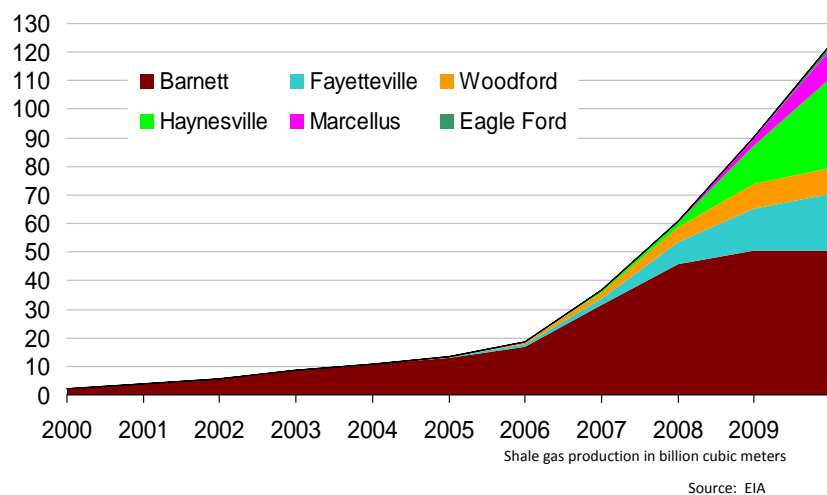
## Canadian oil sands and biofuels account for 70% of the increase in total unconventional liquids



## Non-OECD Asia will account for 35% of increased natural gas use



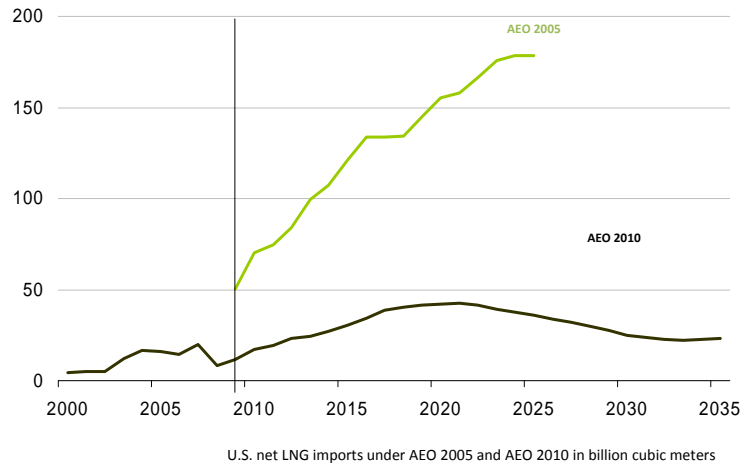
## Shale gas production in the U.S. is growing strongly, could do so in the rest of the world





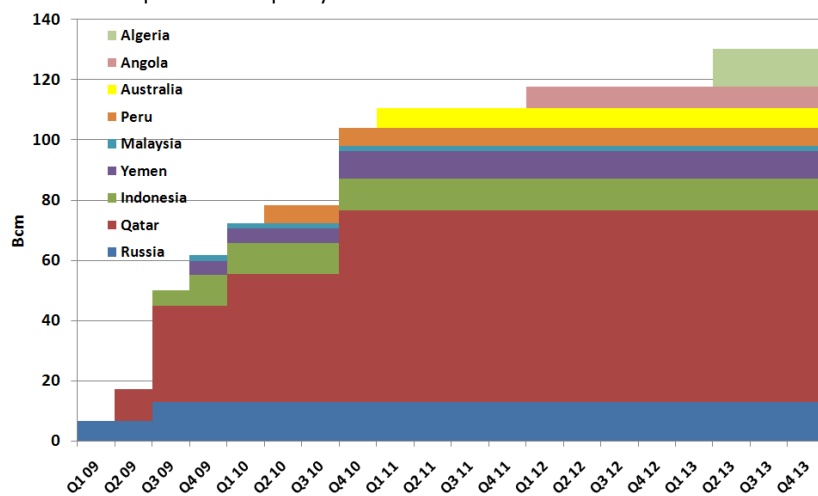
## Shale gas has reduced U.S. LNG demand, making more LNG available on world markets

### LNG Demand



## LNG liquefaction capacity is projected to continue to grow, speeding development of this market

### LNG Liquefaction Capacity Additions



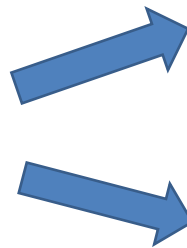
## OSCE members include many important gas exporters

Country	Exports (BCM)
Russian Federation	183.09
Norway	98.89
Canada	92.24
The Netherlands	49.67
Turkmenistan	16.73
Uzbekistan	15.70
United Kingdom	12.17
Kazakhstan	10.30

Source: 2010 BP Statistical Review of World Energy,  
includes re-exports

## OSCE Role in Energy Security

Energy issues are addressed in many venues, with overlapping memberships



International Energy Agency  
G20  
UNECE  
International Energy Forum  
UNFCCC

OSCE can promote cooperation and dialogue on energy security by helping members address these challenges and reinforcing efforts in other venues.