

## **Petrotech 2014: Need for 'unified energy vision' spelled out loud in CEO Conclave**

The need for comprehensive reassessment of the energy model for the country in light of the massive changes that the global energy industry is undergoing in order to transition to a more sustainable framework and the significance of technology (and technological alliances) in mitigating and overcoming the many attendant challenges of the oil & gas sector as the industry enters a 'complex, challenging but highly promising energy era' was categorically endorsed in Petrotech 2014's CEO Conclave on December 17, 2013.



### ***Union Petroleum Minister and Patron-in-Chief Petrotech 2014 delivers the inaugural address***

With this executive pre-conference event that brought together senior Cabinet Ministers, the Deputy Chairman of the Planning Commission, key policymakers, leading analysts and thought leaders of the oil & gas sector besides the foremost leaders in the domestic oil & gas setup Petrotech 2014 switched into higher gears as it veers towards the business end of things with less than a month to go until the official kick-off of the 11<sup>th</sup> edition of the flagship biennial oil & gas event. The day long programme witnessed some absorbingly insightful and incisive discussions centering on the broad agenda of the 'evolving global energy basket and its dynamics thereof' among the highly distinguished and eminent group of people as new ideas found root, some old ideas were refined and coherent perspectives emerged on the way to possibly identifying the key challenges for the industry in the next couple of decades through 2030 in terms of technology growth and deployment, energy sources and sourcing, trade dynamics and necessary policy action.

### ***'Planning to partner and produce' – Dr M Veerappa Moily***

Setting the tone for the day's agenda in the inaugural address, Hon'ble Union Minister of Petroleum & Natural Gas Dr M Veerappa Moily marked out technology and a robust governance mechanism as key enablers in a highly complex and non-linear global energy landscape as the country embarked upon the ambitious agenda of achieving energy self-sufficiency by the year 2030. He reckoned, in

line with the theme 'P5 Agenda -Planning, Politics, Policy, Produce, Pollution', that it is important to 'partner and produce' as India with its strong energy requirements consonant with its economic potential offered significant opportunities for long-term partnerships, while remaining clued in on the surrounding politics and environmental commitments. While conceding that the country's current energy situation belies its vastly untapped potential as more than 200 billion barrels of oil still remain to be discovered from the largely under-explored hydrocarbon bearing basins of the country, the Petroleum Minister sketched a reassuringly positive outlook for the industry in its drive to ensure 'energy security' while focusing on key recent developments such as Gas Pricing Reforms, announcement of the Shale Gas Policy, the role of Cabinet Committee of Investments to fast track high-value projects and setting up of the National Data Repository as proof of the Government's initiative to facilitate the development of the domestic oil & gas sector and unshackle the E&P players from operational hindrances.



***MoS Lakshmi Panabaaka during her address on the occasion***

He acknowledged the need 'to simplify policies and processes' in order to remove opacity from the administrative mechanism and make the industry more attractive and competitive for global players. He said that the 10<sup>th</sup> NELP Round which is going to be announced soon by the Government will benefit substantially from an improved operating and a more transparent regulatory environment. He further said that 'affordability and accessibility' of energy must remain the cornerstone of the country's energy pursuits across the spectrum as significant percentage of the national population is still 'energy-deprived'. Hon'ble Minister of State Ms Panabaaka Lakshmi also reiterated the Government's commitment to make the domestic oil & gas domain more conducive for attracting investments and long term relationships from the global energy players. The Minister harped on the effectiveness of a strong R&D ethic in delivering growth to the industry as conditions become more challenging in the future and the need to move to a greener and more sustainable energy mix becomes pressing.



***Chairman ONGC and Petrotech 2014 Steering Committee Sudhir Vasudeva and Brookings India Chairman V Mehta deliver their opening remarks***

Earlier in the opening session, CMD ONGC and Chairman Petrotech 2014 Steering Committee Mr Sudhir Vasudeva underlined the need to move out of comfort zones and tune into the many realities that affect the goings-on in the highly strategic business of energy with the emergence of new political strains and geopolitical canvasses even as the latest technologies continue to upend the operating paradigm and radically alter the dynamics of global oil & gas trade. *“Business and policymaking should reflect both surface (and subterranean) realities of the oil & gas setup. We will have to infuse greater agility and adaptability to our operating models”*, Mr Vasudeva said that the strategies adopted by the companies reflect global practices and realities while at the same time furthering national priorities of economic growth and development and providing energy security. Speaking about Petrotech 2014 he said that the forthcoming event could be an effective instrument and a knowledge platform that could feed into the overarching vision of an ‘Energy Independent India’ by way of policy inputs and recommendations.

***“Conclusions made now and decisions taken today about our energy strategies will have a bearing beyond the mere next 10-15 years. Our country’s engagement in the global energy landscape is only going intensify so it is an opportune moment to reassess and restructure and move towards a holistic energy model” – Sudhir Vasudeva***

In the same session, Chairman Brookings India and Former Chairman Shell India Mr Vikram Mehta spoke out on the many discretionary dilemmas and trade-off decisions that accompanied the triangular focus on economic growth, energy demand and environmental impact and how forums such as the CEO Conclave by encouraging extensive deliberations on the priority areas among the primary stakeholders help in deconstructing and, possibly, resolving the complexities of the issue to a great extent.

***“Big energy majors are undergoing portfolio rationalization and that involves asset divestiture programs, there is an opportunity there... Also in addition to LNG supplies we will have to capitalize on our geographical advantage of being situated to gas-rich regions...so have to seriously look at transnational pipelines” – D K Sarraf***

The day also had three panel discussions which featured industry leaders such as MD (OVL) D K Sarraf, Chairman (IOCL) R S Butola, and Cairn India CEO P Elango; DG (DGH) R N Choubey; Nuclear Energy expert Padmashree Anil Kakodkar; senior economist and key policy adviser Kirit Parekh and former high-ranking bureaucrat Salman Haider.

***I think we are in a situation now where we have to question the very fundamental precept of the PSC as an enabling framework. Is it even the right template to further the E&P aspirations of our country? It is far too tightly drafted for a probabilistic and highly capital intensive activity like E&P” – R N Choubey***

***“An oversupplied global petroleum products market with new additions coming in from the US and the Gulf especially Saudi Arabia will seriously jeopardise the viability of the downstream sector’s export outlook” – R S Butola***

Some of the key concerns that were raised during the panel discussions pertained to the inadequacy of the current R&D infrastructure within the country in light of the emerging resource opportunities; need for a sovereign and unifying energy vision while pursuing overseas business opportunities especially when the Chinese contingent has upped their already aggressive ante in recent transactions; diversification of the energy sourcing portfolio through greater diplomatic engagement; the need for supportive and transparent regulatory framework; a thorough relook at the PSC mechanism to make it more flexible and dilute its stringency related to timeline adherence; need for more refined and detailed seismic data to better market the country’s hydrocarbon potential; development of India-specific technologies to cater exclusively to local problems; the possibility of a Cabinet Committee of Energy Security to have a holistic perspective on the energy sector; demand management and importance of energy literacy.

***“We have to communicate the dangers of not deregulating instead of playing on the public fears of price rise which is largely irrelevant over a long term” – Kirit Parekh***

***“We have multiple government bodies, agencies and stakeholder groups within the energy ambit who will say ‘no’ to a proposal but we do not have single unilateral entity that can give a nod to an energy proposal” – C Uday Shankar (Retd Commodore and Defence Analyst)***



***Mr. Vasudeva makes a point in the Panel Discussion as R S Butola (to his left) and V Mehta look on***

The CEO Conclave is the fourth pre-conference event of Petrotech 2014's year-long campaign in the run-up to the official inauguration of the three day main event in January of the next year. Prior to

this, Petrotech 2014 organized the Leadership Conclave, USIBC Gasification Mission to India and the Ambassadorial Conclave as pre-conference events.