



# **SUMMARY BULLETIN MIEF-2010**

**MOSCOW INTERNATIONAL ENERGY FORUM**

**«RUSSIAN ENERGY AND FUEL COMPLEX  
IN THE XXI CENTURY»**

**Russia, Moscow  
Central Exhibition Hall «Manege»**



## RUSSIAN FEDERATION PRESIDENT'S SALUTATORY ADDRESS



### To the Participants of the Moscow International Energy Forum «Russian Fuel and Energy Complex in the XXI century»

*Dear Friends!*

*Due to annual gathering of leading representatives of fuel and energy companies, authorities, experts and the media your Forum has gained the authority of a leading industry discussion platform in Russia. This year the format of the Forum has acquired an international character and the great attention in the program is paid to the legal regulation of the global energy markets.*

*Our country plays a vital role in the global energy security ensuring and aims to develop the stable, long-term rules of the cooperation for all stakeholders – producers, consumers and transit countries. I hope that during your discussions the guidance for creating a new framework for sustainable development of the international cooperation in the energy sector will be produced.*

*I wish you productive work and all the best.*

*D. Medvedev*



**I am glad to welcome the participants and guests of the Forum!**

*Your meetings have proved to be an authoritative discussion site where the topical issues of domestic fuel and energy complex development are being discussed and effective measures to improve the investment attractiveness of fuel and energy complex are being suggested.*

*This year the Forum has reached a new international level and significantly increased the number of its participants. The heads of the world's leading energy companies, representatives of government authorities, the diplomatic corps, prominent scientists and experts have met in Moscow.*

*I believe that today's event should make a significant contribution to the elaboration of proposals for the effective modernization of the national fuel and energy complex. I am referring to those key areas that will make Russian economy more strong and stable – the introduction of energy-saving technologies, implementing energy efficiency programs. And of course, your work is intended to form a new legal and institutional system of the global energy security.*

*I wish you success in achieving your aims.*

V. Putin



## MIEF GENERAL DIRECTOR'S APPEAL



Dear colleagues!

Energy Forum «Russian Fuel and Energy Complex in the XXI century» is the event of nationwide scale with a seven-year history. Over the years the Forum has become one of the central events of the social life in the Russian energy sector. The question of development, implementation and adjustment of the Energy Strategy of Russia has traditionally been in the focus of the Forum for these seven years.

In 2010 the Forum has passed to a new stage of development and was held in the international format for the first time. The new status and the mission of the Forum, its transition to an international expert and social scene is caused by several fundamental factors. First of all, in the first decade of the new century the global energy landscape has significantly changed. Secondly, the new strategic direction of the Russian top authorities became the policy of modernization, supported in general by society as well as by leading representatives of the business and the expert community. The new strategic vector implies in particular a significant strengthening of our country position on the world energy scene. Thirdly, Russia is promoting the participation of civil institutions in the discussion of the key issues of the country development. Finally, the issues of world energy, in particular global energy security together with climatic factors and strategies for sustainable development are the key items in the current international «agenda».

The need for the development of the global energy dialogue and for the new ideas and approaches to promote the strategic search for compromises on key issues of international energy cooperation arises in these circumstances.

With understanding of the current situation in the energy sector the Organizing Committee and the management of the Forum, basing on the seven-year institutional experience as well as the intellectual potential and established contacts with the foreign partners, have taken a strategic decision to restructure the event. Today the Moscow International Energy Forum «Russian Fuel and Energy Complex in the XXI century» aims to become an authoritative non-governmental discussion platform for the global energy dialogue promotion at the socio-expert level. The new mission of the Forum is intended to bring to an open discussion on ways of world energy and Russia's place in this process the most prestigious Russian and international experts as well as the representatives of business and government. The Forum is open to everybody who wishes to contribute to the progress in the field of the international energy cooperation.

*General Director of the  
Moscow International Energy Forum  
«Russian Fuel and Energy Complex in the XXI century»  
Andrey P. Epishov*



During 8-9 of April seven international conferences were held in the MIEF-2010 frameworks. The Forum sessions took place at two sites: in the Central Exhibition Hall «Manege» and in the conference center of MGIMO-University. From 8 to 10 of April the Exhibition «Russian Fuel and Energy Complex in the XXI century» was held in the CEH «Manege».

The conferences topics were selected by the Program Committee and were based on an analysis of events in the world and Russian energy sectors.

**The first day of the Forum was opened with the plenary discussion on the theme: «World energy, post-crisis phase: new goals with the new regulation system».**

On the same day international conferences: «Strategic investments in the Russian power industry» and «Innovations in natural gas processing technologies: prospects of strategic investments in Russia» were held.

**On the second day of the Forum the following conferences were held:** «Energy security in the XXI century global economy: new approaches», «Eastern vector of Russian energy strategy», «The concept of sustainable development and renewable energy sources: the horizons of the interaction between European Union and Russia», «Energy saving in the global economy: world experience and prospects of Russia and CIS».

The Moscow International Energy Forum «Russian Fuel and Energy Complex in the XXI century» was attended by over 1100 delegates, including more than 100 representatives from 27 foreign countries, the official delegation of the European Union, headed by Günther H. Oettinger, the European Union Commissioner on Energy, official delegations from 45 Russian regions.

Presented reports and accepted final documents, as well as extensive press coverage of the MMEF-2010 revealed the fact that the Forum's debut in the international format was very successful, and the main suggested theme – the renewal of the legal framework for international energy cooperation, proved to be extremely topical and relevant. Summing up the results and taking into account the numerous positive feedbacks from participants and a broad resonance of the event in the media, we can definitely say that the new international format of the Forum has a great potential for the further development. Taking into account its non-governmental status, the Forum is a good example of participation of civil institutions in the discussion of the relevant and large-scaled problems faced by the Russian and the world economies.



*Meeting at the Forum; European Union Commissioner on Energy Günther Oettinger and the General Director of the Forum Andrey Epishov*



*Participation in the Plenary Discussion of Sergey Shmatko, Russian Minister of Energy, aroused great interest among journalists*



*Yuriy Lipatov, chairman of the State Duma Energy Committee is getting acquainted with the participants of conferences and exhibition*



*Valeriy Golubev, Deputy Chairman of the Board of the OJSC «Gazprom» gives an interview*



▶ «On the global energy market there are no perfect legal mechanisms today that can prevent and eliminate sources of instability and systemic risks. Global cooperation of importing and exporting countries has a need in the new strategic compromise today which could form the basis for long-term balance of their interests. Achieving such a compromise is possible only if a radical renewal of institutional-legal framework for energy stability and security».

*Yuriy A. Lipatov,  
Chairman of the State Duma Committee on Energy*



▶ «I am convinced that Russia and the EU will be able to jointly master the upcoming challenges and to develop our bilateral framework further. In my view this compromise is strong, solid and meaningful bilateral legal framework which is currently negotiated in the framework of a new EU-Russia agreement. Moreover we can take a fresh look on our existing mechanisms for dialog and cooperation in order to upgrade the existing one».

*Günther Oettinger,  
European Union Commissioner on Energy*



▶ «The strategic goal of Russian external energy policy is the most efficient use of energy potential of the country for the full integration into the global energy market, strengthening the position on it and receiving the most benefit for the national economy. Rapid expansion of Russian companies on the world energy market with the support of the state is a new long-term trend in our energy policy».

*Sergey I. Shmatko,  
Russian Minister of Energy*





► «We have managed to implement fully the three basic principles that we lay in building of the relationships with our partners when developing the investment projects. The first principle is the priority of the national interests. This is the main task in implementing our new projects. Second one is certainly the economic return on the investments. And final ones are the reciprocity and parity».

**Valeriy A. Golubev,**  
*Deputy Chairman of the Board of the OJSC «Gazprom»*



► «Under the infrastructure and investment restrictions which are now facing the oil companies there is a need in strategic solutions of system issues. We see the relevance of the creation of a new powerful analytical center under the Ministry of Energy of Russia, which could provide and justify economically optimal level of oil production in Russia, sales for export and domestic processing».

**Mars M. Khasanov,**  
*Science Director of the OJSC «Oil Company «Rosneft»*



► «Certainly, Russia's contribution to the stability of the world energy is absolutely colossal. In this regard, we are interested in the price stability and the clarity of perspectives. Of course, we can save a significant portion of the energy-carriers, but it requires a serious long-term energy-saving policy, the gradual change in the nature of the investments. And we must still decide – if we would save then what are we going to do about it».

**Leonid M. Grigoriev,**  
*President of the «Institute of Energy and Finances» Fund*





## PLENARY DISCUSSION «WORLD ENERGY, POST-CRISIS PHASE: NEW GOALS WITH THE NEW REGULATION SYSTEM»



▶ «Experts of the Russian Academy of Sciences have developed a variant of innovative and resource development of Russian economy. First of all, that is the development of the high technology in the processing of primary resources. That is the construction of new gas chemistry, increasing the depth of processing. Building on this trend, we can accumulate the most powerful financial investment resources which will run on high-end technologies in other industries».

*Anatoliy N. Dmitrievskiy,  
Director of the Oil and Gas Institute  
of the Russian Academy of Sciences, Academician of RAS*



▶ «Modernization in the fuel and energy sector has an enormous impact on innovation processes in the related industries. From this perspective, the promotion (including tax) of modernization of the fuel and energy complex can bring a huge multiplier effect of innovation. The state's and the business-community's supporting the development of the Russian engineering companies will certainly contribute to innovative growth in the country».

*Leonid R. Sorokin,  
Director on Strategy and Business Development in Russia  
and CIS of CJSC «Honeywell»*



▶ «The world is very rapidly changing and these changes alter the global energy landscape. The picture of players changes fundamentally – the center of the consumption and the impact is moving to the East. The attitude of Russia to its role and place in the world energy is also changing. Russia aspires more actively to integrating into the global energy sector, including strengthening its position in the distribution infrastructure of the developed countries».

*Aleksandr P. Epishov,  
Principal Analyst of the Forum «Russian Fuel  
and Energy Complex in the XXI century»*







► «The European Commission has changed completely the market situation in Europe because of its liberalization concept, which is good for the European consumers, which gives us as a major offtaker and importer a lot of problems. This concept of the European Union has already changed tremendously the previous old existing, very stable, very solid gas delivery and gas contracts».

*Reihner Hartmann,  
Executive Director of «E.ON Russia»,  
Chairman of the Board of the Association of European Businesses*



## ► SUMMARY

The Plenary Session keynote reports were addressed by Sergey Shmatko, Russian Minister of Energy and member of the European Union Commission on Energy Günther Oettinger. Plenary Discussion was held in the new format – there was not a traditional presidium. Yuriy Lipatov, the Chairman of the State Duma Committee on Energy acted as the Speaker of the Session. The experts - participants of the discussion settled on the podium and had the opportunity to ask questions to each other, give short answers, share remarks and comments.

This form of communication helped to create a free and creative atmosphere on the Forum what adjusted the participants to a constructive dialogue.

Outside the official program at the site of the Forum and the Exhibition very interesting and useful informal meetings took place, there was an active exchanging of views and impressions on the Forum, tying useful acquaintances, establishing new contacts. This informal and «invisible» side of the Forum however was exceptionally useful to participants.





## INTERNATIONAL CONFERENCE «ENERGY SECURITY IN THE XXI CENTURY GLOBAL ECONOMY: NEW APPROACHES»



► *From the greeting to the Conference participants:*

«Energy supply largely determines the stable development of our civilization; it becomes an integral part of international, including economic, security. Russia proceeds from the fact that under current conditions the imperative is to build a transparent legal framework for international cooperation in energy that will correspond to the interests of all participants. We support appropriate initiatives in this regard».

**Sergey V. Lavrov,**  
*Minister of Foreign Affairs of Russian Federation*



► «Ultimately we are talking about the model of energy security which will become the basic component of global security in general. The current competitors in the world have to integrate and consolidate their power systems; the alternatives for such an integration simply do not exist; merge them in a way that essentially rule out the possibility of military conflict between the energy partners».

**Konstantin I. Kosachev,**  
*Chairman of the Committee on Foreign Affairs of the State Duma of the Federal Assembly of Russian Federation*



► «It seems to me assignable that the Forum «Russian Fuel and Energy Complex in the XXI century» is more and more stable acquiring an international dimension. Energy, especially energy security, is one of the most typical phenomena of a globalizing world. Today there is no state that is possible to solve its own problems or develop its own fuel and energy complex in isolation only within the boundaries; it is an obvious element of the global international cooperation».

**Anatoliy V. Torkunov,**  
*Rector of the MGIMO-University in MFA of Russia, Ambassador Extraordinary and Plenipotentiary*



► «There is no any doubt that the global demand for energy resources will grow because of the growing population and increasing human well-being. I work for more than 35 years in the gas industry and I think that gas will play even more important role in the future and I fully share the views of my colleagues from «Gazprom». We believe that the gas is a very reliable source of energy with great potential».

**Bengt Lie Hansen,**  
*President of «Statoil Russia»*



► «We can offer a list of foundations and principles required to build a new agenda for energy security. First, this agenda should be based on cooperation. Secondly, it must respect the sovereignty of countries over their own resources. Third, the agenda should be held responsible in terms of ecology because it is an issue that has recently worried all of us. This agenda should also include fair prices for citizens».

*Maria Luisa Ramos Ursagaste,  
Ambassador of the Plurinational State  
of Bolivia to the Russian Federation*



► «As to the pricing, our position is well known. We support the absolute keeping the long-term contracts on «take-and-pay» conditions as the basis of relationships in the market. This mechanism of the gas prices formation in our long-term contracts is absolutely clear and completely eliminates the manipulation of prices. The gas price is set through the basket of prices for petroleum products, which can not be influenced by any of the dominant suppliers».

*Stanislav E. Tsygankov,  
Head of the Department  
of Foreign Economic Activity of OJSC «Gazprom»*



► «We see that the energy factor plays a key role in the global development today affecting not only the economy but also political processes and international relations. Energy priorities lie behind many political decisions. Russia, occupying a unique place in the global energy system and being the leader in the production of gas and a major oil producer, aims to participate actively in ensuring global energy security and promoting international energy cooperation».

*Valeriy I. Salygin,  
Director of the International Institute of Energy Policy  
and Diplomacy MGIMO-University in MFA of Russia*



## ► SUMMARY

The theme of the global energy security was in the focus of the discussion. Conference participants noted that there has been a considerable evolution of the energy security concept in a global context. In this regard, the relevance of the statement about the new international agenda of the global energy security based on the principles of the commitment to cooperation, the sovereignty of countries over their resources, the joint responsibility of the participants, a balance of pricing, supply diversification, the access to technologies and investments were noted in the reports.



## INTERNATIONAL CONFERENCE «STRATEGIC INVESTMENTS IN THE RUSSIAN POWER INDUSTRY»



▶ «In a firm belief, any law, even executed legally very well, is a text on a paper. If we all won't begin to realize this law – nothing will happen. You know, there is a saying: «If a disorder is well paid, it is eternal». So it is the time to stop the disorder, we must begin to restore order».

**Valentin E. Mezhevich,**  
*First Deputy Chairman of the Federation Council  
of the natural monopolies of Russian Federation*



▶ «The recent decision of the Russian Government gives a start not only for the power supply contracts (in which frameworks investors have deposited in energy) but also triggers a large-scale modernization of the entire Russian energy sector. Analysis of performance indicators of the investment program in 2007-2010 suggests that in 2010 we pushed this process off the ground seriously».

**Andrey N. Shishkin,**  
*Deputy Minister of Energy of the Russian Federation*



▶ «The share of electricity in the value of industrial output increased from 3,3% in 2008 to 4,1% in 2009. Unfortunately, this trend will continue in the future. The increase of prices for energy resources should be feasible for the industry and the economy, and in fact, taking away revenues from the industry due to accelerated rise in prices for gas and electricity, we can leave them without funds for turning to new energy-efficient technologies».

**Yuriy Z. Saakyan,**  
*General Director of the Institute of Natural Monopolies' Problems*



▶ «Today the generating companies are increasingly facing a situation that the volume of investments in the maintenance of the existing facilities' life extension will be comparable to the volume of investment in a new construction. And there is a big question in what measure the present configuration of the power market in the mode of fine-tuning will create in the future incentives for the modernization and extension of the old capacities' efficiency».

**Mikhail Y. Slobodin,**  
*President of «KES Holding»*



► «The nuclear industry has the points for investments at the every stage of its production cycle which currently stands at more than 76 years. The development of the nuclear industry will be successful only if all of us decide to solve the tasks synchronically, such ones as the formation of the investment resources, which include both material-technical resources and what is the most important – the human resources, including the desire, and great love for the atomic industry».

*Tatiana L. Elfimova,  
Deputy General Director, State Secretary  
of the State Atomic Energy Corporation «Rosatom»*



► «Considering an energy strategy, today we have already faced the fact that not less than 10% of the expected energy demand must be met through the innovative energy industries those ones about which we know nothing. Therefore considering the problems of the investments, which are a “long-playing record”, we can not focus only on the current issues today».

*Vitaliy V. Bushuev,  
General Director of the State University  
«Energy Strategy Institute»*



► «The additional incentives and the market of system services or services to ensure the reliability of the system are required – these are the tools for maintaining the required level of the UES of Russia’s reliability, quality of functioning in conditions of the full liberalization of the electricity and power markets. Launching of such a market will economically stimulate the owners of power and consumers to ensure those necessary properties and parameters for the stable functioning of the UES».

*Boris I. Ayuyev,  
Chairman of the Board of OJSC  
«System Operator of Unified Energy System»*



► «The USA is interested in the suppliers, reliable and predictable partners as well as in understanding the processes that occur in Russia. Meanwhile, the U.S. investors do not have enough available and verifiable information about the modern market economy in Russia. Russia needs to create and actively promote a new image».

*Sergey Millian,  
President of the Russian-American Chamber  
of Commerce in the US (Atlanta)*



## ► SUMMARY

The question of attracting investments in the generating modernization was the most discussed at the conference. Participants discussed the context in which the modernization would develop and which segments would be in a priority for the investments. There had also been the first positive outcome of the state involvement in this process.



▶ «Practical implementation of the public policy in energy-saving uses an integrated approach. And the federal program will be the most important in which the key role will be assigned to the regions and the municipalities. The money will go there but the way of the usage of them will be offered at the local level».

**Stanislav I. Dorzhinkevich,**  
*Deputy Director of the Department of Public Policy  
and Energy Efficiency of the Ministry of Energy  
of the Russian Federation*



▶ «The fact is that the common picture is depressing. The programs that are prepared in the regions are very formal. Neither responsible persons nor mechanisms for implementation, nor funding sources are marked in a lot of the programs. And it seems to me, that the heads of the regions and even the heads of the municipalities consider the energy conservation program not seriously. We need the support of the people. And a person looks at first at if he (or she) pays more or less, of course».

**Anatoliy A. Libet,**  
*Head of Energy Saving Committee of the Public Chamber  
of Russian Federation*



▶ «The urgency of the problem of energy saving is obvious. Today, if we are talking about creating a single economic space, of course, we have to standardize and adapt all laws in some way, regulations and legislation in this direction for the general development».

**Massoud K. Ordabaev,**  
*Director of Department of Energy Conservation of Ministry of  
Industry and new technologies of the Republic of Kazakhstan*



▶ «Our worldwide experience showed that at nearly each stage of the gas transportation chain there is a great room for increasing efficiency. And if you speak about efficiency, there is a different kind of meaning, there is an economic efficiency, there is a saving resource efficiency, and there is, of course, also an efficiency in saving the resources itself. If we talk about this efficiency let's first realize that through all these pipelines actually there is not going only gas. It is also, and this is more important, there is money. Money is going through these pipelines and it is tremendous amount of money which is going through pipelines. So cost efficiency is an issue also for the gas production companies, and also for the gas distribution companies».

**Herbert Arents,**  
*CEO of «RMG GROUP» (Germany)*



▶ «What is the list of the accepted priority actions? These are, first and foremost, the institutional arrangements that have emerged from the law. What is in the next year? Purchase and application of the new technology – a mobile compressor station that allows reducing the gas bleeding during repair; the construction of the equipment that utilize heat of the exhaust gases with the help of the various technologies».

*Aleksandr G. Ishkov,  
Deputy Head of the Department of the Underground Storage,  
Transportation and Use of Gas of OJSC «Gazprom»*



▶ «I'm afraid that different programs will be made in the future and will even be started to implement partially. And since businesses will not be there, only those projects will be carried out, we would have enough budget money for. It should be done so to correctly cut budget and perhaps even report on. What can we really do and what will not need a lot of money? One of the most beautiful solutions is just a liquidation or transfer of boiler houses in a peak mode».

*Viktor G. Semyonov,  
General Director of «VNIPIenergoprom»*



▶ «We think that it is not possible to use the cheapest products and thinking only on the investment, but we think the most important thing is to think about service life and to take all the costs which are existing from beginning of the investment and during the whole life of this power plant or pipeline or refinery or whatever. And when calculated all the costs together then it is found out that more expensive products in total can be cheaper than cheapest products you buy from the beginning. And this is really our experience worldwide».

*Hans Forstner,  
Sales Manager of Rich. Klinger Dichtungstechnik  
GmbH & Co KG (Austria)*



▶ «As a result of implementing the energy efficiency program measures in 2010, MOEK will receive power savings in the amount of 9.5 million kW/h, thermal energy - 294 thousand gigacalories and 1.5 tons of the fuel equivalents. The cost of the achieved savings will be 396.7 million rubles. In addition, there is the expected saving of gas in the amount of 350 million cubic meters because of the switching the summer heat loads on the cogeneration facilities».

*Nikolay E. Grachev,  
Deputy Chief Engineer  
of the OJSC «Moscow United Energy Company»*



## ▶ SUMMARY

The prospects of the Federal Law «On energy conservation and energy efficiency increase across the State» implementing were actively discussed at the conference. The problems requiring a prompt resolution were announced in the context of the Act. Organizational experience and technological achievements of the countries which had been implementing projects to improve energy efficiency for a long time attracted attention of many participants.

## INTERNATIONAL CONFERENCE «EASTERN VECTOR OF THE RUSSIAN ENERGY STRATEGY»



▶ «Among the partners of Russia in the energy sector in the North-East Asia are China, Japan, and Republic of Korea. This cooperation is actively growing in all cases. Breakthrough withdrawal of Russia's energy market to the North-East Asia puts on the agenda the task of a legal protection of our country's interests as a supplier on this market. In fact we should go on to develop a full Asia-Pacific agreement on energy cooperation».

**Gleb A. Ivashentsov,**  
*Ambassador Extraordinary  
and Plenipotentiary of the Russian Federation*



▶ «Russia is one of very few countries that can concurrently and simultaneously watch to the West and to the East. Russia is somehow at the center of the world in this context. And such a vast country with such potential and with such features can watch both there and there. So, maybe it's a bit strange – a Western man will talk about the eastern vector but I think that is the specificity of Russia».

**Chris Gilbert,**  
*Russia Director of the Russo-British Chamber of Commerce*



▶ «The main thesis is that the undeveloped energy today is one of the main obstacles to the socio-economic development of the Far East. Implementation of the sector projects should be carried out with the participation of the private capital. And this is possible. Here are some mechanisms for implementation of these activities with the participation of the state: an effective tariff policy, the mechanism of the investments return in the tariff, transparent procedures for the tariffs reconciliation and approval».

**Madina M. Suyunova,**  
*Strategy Director of OJSC «RAO Energy System of East»*



▶ «We have formed a number of electric power long-term planning documents in recent years. The major problem in the Far East for the long term is the optimization of the program of the local energy, as I said, those the most compact, portable, low-power energy sources based on innovative technologies and powerful modern energy-saving technologies».

**Gennadiy F. Alekseev,**  
*First Deputy Chairman of the Government  
of the Republic of Sakha (Yakutia)*



► «We evaluated the major players in North-East Asia and the STS as a whole on a comprehensive characterization. In 2005, the experts put on the first place the United States, in the catch-up position was China, then they put Japan, Russia and South Korea. And since 2006 by a wide margin China pulled out ahead, according to experts Japan was nominated on the second place, on the third place – the United States. And this position is actual for the North-East Asia at the moment».

*Larisa S. Ruban,  
Expert of the Intergovernmental Oil and Gas Council of CIS*



► «The Eastern gas program is scheduled to form in a region a number of major gas-processing complexes and gas and chemical production oriented to export, which will provide the output in amount more than 13.5 million tons per year until 2030. This approach would allow Russia to make a further contribution to the evolution of the global energy security».

*Aleksey M. Mastepanov,  
Counsellor, Deputy Chairman of the Board of OJSC «Gazprom»*



► «The reserves of gas in China are only 4 trillion m<sup>3</sup>. Everyone knows that in the last year the production had reached somewhere above 80 billion m<sup>3</sup>. At the same time with the increase of the domestic production we will try to cooperate with the foreign partners. We have become more close to the position of «Gazprom». In order to understand each other completely we need to coordinate a strategy of the gas fields development as well as the strategy of the market buildup».

*Cao Wei,  
Director of the Department of Foreign Affairs  
of China National Petroleum Corporation*



► «It is well known that the deficit of the energy resources in China is constantly growing. According to the Chinese analysts' optimistic estimates, in 2015 year gas consumption is expected to be 200 billion m<sup>3</sup> and 300 – in 2020. The idea of an "Energy-club" is being reanimated. And it is well known that in various world formats, the possibility of smoothing the interests of the gas sellers and consumers is being studied. We can make an attempt to regulate interests of Russia, Central Asia and China in the SCO».

*Vladimir A. Matveev,  
Chief Researcher of the Center for Strategic Problems  
of the North-East Asia and the SCO Institute  
of Far Eastern Studies Institute of the RAS*



## ► SUMMARY

Describing the discussion that took place at this conference it is important to note that the speakers touched upon the strategic and long-term issues of the energy development in east of Russia. The specific problems in this area were disputed in a less degree. And this was the distinctive feature of this session in the framework of the Forum. And, of course, in many speeches various evaluations were given and prospects of cooperation with countries of East Asia, especially China were given.



## INTERNATIONAL CONFERENCE «INNOVATIONS IN NATURAL GAS PROCESSING TECHNOLOGIES: PROSPECTS OF STRATEGIC INVESTMENTS IN RUSSIA».

8 APRIL 2010, CONFERENCE HALL OF THE CEH «MANEGE»



▶ «The Commission on Natural Monopolies of the Federation Council and our subcommittee are seriously engaged in the legislation on the use of associated petroleum gas today. We have already prepared a bill in this area and began its wide-ranging discussion, for example we are meeting with all stakeholders in the professional sphere, talking to the press».

*Bato-Zhargal T. Zhambalnimbuev,  
Member of the Federation Council of the Federal Assembly  
of the Russian Federation*



▶ «The oil pipeline Eastern Siberia – Pacific Ocean has started its work. There is no pure oil in the Eastern Siberia. There are oil-and-gas deposits only. We will mine the enormous amount of gas there. But when oil has already gone down the drain no one knows what to do with the gas. There is no any system of collecting and storing this gas. There is no systematic program and the professional use of gas in Eastern Siberia».

*Aleksey E. Kontorovich,  
Scientific Director of the Trofimuk Institute of Petroleum Geology  
and Geophysics of Siberian Branch of the RAS*



▶ «The idea of creating a company that would be responsible only for the oil refining and petrochemicals is being actively discussed not only in the margins, but among upper instances. The world experience shows that such specialized petrochemical companies are quite competitive and are developing very successfully».

*Vladimir M. Kapustin,  
CEO of «VNIPIneft»*



▶ «“Gazprom” has launched the first project in Russia on mining the methane and the coal seams in the Kemerovo region. In case of the successful implementation this project will enable to replace the natural gas which comes to the south-west of Russia from the north – Tyumen, Tomsk region – at a distance of several thousand kilometers».

*Nikolay M. Storonkiy,  
Deputy General Director of OJSC «Gazprom promgaz»*

### ▶ SUMMARY

The thesis about the need for more intensive development of the petrochemical, gas chemistry, helium industry based on modern technologies held the central place in the reports. According to the participants, we need the systemically organized, balanced state program of gas development in Siberia and the Far East. The formation of the program will give a powerful impetus to the economic recovery in these regions, will increase the level and quality of life and transform Russia into one of the largest suppliers to the world market of petrochemical products and helium with the high added value.



► «The renewable energy is on one side the innovative development of industry and on another side the expansion of domestic demand for technique and technology. The mechanism of the renewable energy is not only absorbs all the latest achievement of the many scientific fields, from meteorology to electronics, but also actively contributes to the emergence of the additional jobsites».

*Pavel P. Bezrukikh,  
Deputy General Director of the State University  
«Energy Strategy Institute»*



► «Hydrogen technologies increase the efficiency of autonomous power systems based on the renewable energy sources and can reduce the barriers for integration of the renewable energy into the network. In that way hydrogen technologies are facilitating the promotion of the renewable energy in to the energy infrastructure of Russia».

*Sergey V. Korobtsev,  
Director of the Institute of Hydrogen Energy  
and Plasma Technology Research Center «Kurchatov Institute»*



► «The development potential of the small-scale power is enormous in Russia and it is much greater than the potential of the large-scale hydropower. Small hydropower plants are competitive today not only with relation to the electricity generation but also in light of the great social effect».

*Vasiliy R. Okorokov,  
Head of the Department of International Economic Relations  
of St. Petersburg State Polytechnic University*



## ► SUMMARY

Conference participants noted that the development of the alternative energy is now one of the most prominent and long-term trends as well as the important factor of energy strategies of many countries. The great potential and the need for the wider implementation of the EU best practices in the field of the renewable energy were marked in the reports presented at the conference. The participants of the discussion were returning to one of the key theses – unfortunately in the Energy Strategy of Russia there is no enough attention paid to the renewable energy which would be adequate to the global trends. Although the development of the renewable energy worldwide has shown that this progressive branch has not slowed down the speed of its development, even in times of the crisis. Today the technology of the renewable energy is not only absorbing all the latest achievements of many scientific fields but is also stimulating the high-tech innovations and contributes to more jobsites.

## THE FINAL DECLARATION OF THE MIEF-2010

We, as the participants of the Moscow International Energy Forum «Russian Energy and Fuel Complex in the XXI Century» taking into account the increasing role of the civil society in the solution of the global challenges facing the world community and striving to contribute to the development of international energy cooperation, accept this Mutual Declaration.

We held our Forum under the motto «energy dialogue and collaboration in the aim of stability and development» and discussed possible ways and opportunities in the forming of a new co-operative strategy of the global energy security institutional base modernization.

We are sure that the main systematic reason of the global financial crisis was the imperfection of the world order. The actual system of international legal bodies and institutes that has to regulate the cooperation between states, private businesses and nongovernmental organizations and positively influence on the processes in the global economy, the system is imperfect and has no ability to contract to the dangerous political, financial and economic trends and events.

We are deeply concerned that the global energy market today is not protected from the speculative actions, instability and the system risks that could seriously damage the global economic development. The development of global energy is still suppressed by geopolitical competitiveness and political collisions worldwide. These conflicts could be removed neither by individual country nor in terms of bilateral relations.

We see the main gist of these conflicts in the fact that the countries-importers and exporters, that are cooperating in the global market in terms of bipolar model are aimed at the obtaining the different strategic checkpoints and are not able yet to achieve a compromise in the strategy and a balance in their interests. They need a balance that can provide for one country stable and long-term demand, and for the other diversity deliveries.

We think that in the context of stability and safety the risk zone is still the transit of energy carriers and the role of it is definitely high today. But still, actual international agreements and standards do not contain strict mechanisms to prevent emergency situations and to settle the transit disputes.

We also think that the system of price formation on the raw products must be based on the fundamental rates of the development of the global market of energy sources, and not on the speculative trends. That would encourage an adequate perception of the market by real investors. The long-term price stability and predictability are the key factors of the investment attractiveness of the energy projects all over the world.

We achieved the unity of views in the understanding that the main condition of the energy development is the achievement of the unity of views and long-term



## THE FINAL DECLARATION OF THE MIEF-2010



balance of the interests of all the participants of global energy cooperation on the basis of energy security and the Plan of actions that were accepted during the G8 summit in Saint-Petersburg in July 2006.

We call for the leaders of the global economy to display the responsibility, activity and the initiative in finding strategic compromises and in the creation of the conditions to work out a joint program of actions to renew the legal basis of the global energy collaboration and to create the new structure of global energy security.

In this context we welcome the initiative of Dmitry Medvedev, the President of the Russian Federation who stands out with the proposition to generate the international legal bill that will regulate the global energy cooperation and reflect the interests of the leading players of the energy market. As a positive factor to open new opportunities for the development of the global energy cooperation we evaluate the approach introduced on terms of the initiative «Conceptual Approach to a New Legal Basis of the International Cooperation in the Sphere of Energy».

We think that the prime aim to achieve the goals that were discussed by the Russian government can be the choice of an optimal international platform to inspect the proposition of Russia and other participants of the global energy market and coordination of the modernization process of the institutional and legal systems of the global energy regulation.

We are sure that this Forum will positively influence the prospect development of the energy collaboration, will assist to the unity of the efforts of different states in the aims of contractions to the global energy challenges.

We are sure that the Moscow International Energy Forum «Russian Energy and Fuel complex in the XXI century» becomes an effective basis to generate new ideas and approaches to develop contacts between experts, representatives of business and the energy community all over the world. Forum gave us an opportunity for the open discussion and wide experience exchange, contributed to the reinforcement of mutual understanding and trust between us and in the whole achieved positive results.

We hope that in spite of the uncertain results of the climate summit in Copenhagen, new summits will work out the platform for the achievement of strategy compromises between the developed and the developing countries on the basis of which treaty on the actions against the global warming will be accepted the international. The development of the energy-saving technologies and alternative sources of the renewable energy will help to solve this problem.

We welcome the efforts of the states, business and international institutions in the fight against the changes in the global climate. Climate is the key subject in the global energy agenda.





## EXHIBITION «RUSSIAN ENERGY AND FUEL COMPLEX IN THE XXI CENTURY»



## Welcome to the Exhibition «Russian Energy and Fuel complex in the XXI century» in the frameworks of the MIEF-2011

*Moscow, СЕН «Manege»  
6-9 April, 2011*

The Exhibition «Russian Energy and Fuel complex in the XXI century» is the annual Exhibition in the Moscow International Energy Forum frameworks. The regional investment projects and the Russian and international companies' achievements in the energy sector are traditionally presented at the exhibition. According to Yuriy Lipatov, Chairman of the Energy Committee of the State Duma of Russian Federation, this Exhibition is «not only a good platform to showcase their designs, products and services, but also a source of generating new business contacts and partners».

The main competitive advantages of the Exhibition «Russian Energy and Fuel complex in the XXI century» comparing with the other numerous exhibitions of this topic is an extremely high level of representation of visitors and the presence of the official regional delegations' presentations. Traditionally, the exhibition is visited by the first persons of Russian and global fuel and energy complex, representatives of federal and regional legislative and executive authorities, top managers of the leading companies of world energy, authoritative experts from public associations and scientific organizations.

The total exhibition area is more than 1000 square meters.

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