



Atlantic Energy Forum 2015
Summary
Mexico City
November 5-6, 2015

Eminent Persons from the public and private sectors in Africa, Europe, North and South America met in Mexico City for the Second Annual [Atlantic Energy Forum](#) to chart new paths for pan-Atlantic cooperation, at the invitation of the [Center for Transatlantic Relations \(CTR\) at Johns Hopkins University SAIS](#), particularly CTR Distinguished Fellow and former President of the Government of Spain José Maria Aznar and CTR Executive Director Prof. Daniel Hamilton. The Atlantic Energy Forum is part of the larger [Atlantic Basin Initiative](#), facilitated by Johns Hopkins University's Center for Transatlantic Relations.

The context for the Atlantic Energy Forum is a dawning realization that the global energy map is being redrawn by a series of energy revolutions – shale, offshore, low carbon -- that together are creating an Atlantic Energy Renaissance. These revolutions are transforming global energy flows in significant ways:

- We are seeing a westward shift in the global center of gravity for energy supply into the Atlantic Basin, driven by recent, significant expansion in Atlantic energy resources.
- We see an eastward shift in the global center of gravity for energy demand into the Asia-Pacific.
- The traditional pattern of ‘net westward global energy flows’ are drying up and reversing to become ‘net eastward – or ‘Asia-bound’ – global energy flows.
- The Atlantic Energy Renaissance is also setting the global pace for energy innovation and renewables.
- The Atlantic Basin is now a central energy reservoir for the world and will become even more so in coming decades. Atlantic Basin countries are increasingly bound together through the production, trade, transit and consumption of energy.

Background Papers

- [An Atlantic Energy Renaissance](#), The Eminent Persons of the Atlantic Basin Initiative
- [An Introduction to the Future of Energy in the Atlantic Basin, Paul Isbell, 2015](#)
- [Summary Diagnosis of the Atlantic Basin Energy Context](#)
- [Objectives of the Atlantic Energy Forum](#)
- [Basic Guiding Principles and Comparative Advantages of the Atlantic Energy Forum](#)
- [The Atlantic Basin Initiative and the AEF](#)
- [New release: The Future of Energy in the Atlantic Basin \(ed. Isbell, 2015\)](#)

The Atlantic is deeply interconnected in terms of energy flows, but lags in terms of energy cooperation. Moreover, the Atlantic's great energy wealth has yet to be tapped to address persistent energy poverty across the Atlantic space.



Discussion Themes

The Question of Price. Between the 2014 and 2015 Atlantic Energy Forum meetings, global oil prices fell by 50%. Participants generally agreed lower oil prices will not undercut the Atlantic Energy Renaissance for a number of reasons.

First, the Atlantic energy renaissance has actually been the single most important factor behind the price drop on the supply side. While Saudi Arabia has helped to lower prices by drawing down spare capacity, most new discoveries in recent years – in addition to most of the increases in proven reserves and production levels – have come from the Atlantic world.

Second, this period of lower prices will not last forever, and will probably not last that long. Once prices rise again above US\$60/bbl, most Atlantic energy supply again becomes very relevant.

Third, lower and softer prices, even over the short run, have set in motion new dynamics that are shifting the global energy map toward energy reform, removal of fossil fuel subsidies, improved regulatory policies, and better transnational energy cooperation, integration and governance.

Fourth, the picture is different for gas, which does not have a worldwide price. There is huge potential for further development of gas resources on the offshore and across Africa. A key question is how to incentivize the search for gas.

Fifth, there was agreement, however, that price declines have had uneven impact on some energy producers.

Finally, there was agreement that the greatest restraint on the Atlantic's energy potential was less price considerations than regulatory and policy uncertainties. In this regard, the moment is favorable for the Atlantic Energy Forum.

Power and Politics. Participants discussed how regulatory and public policy debates cut in different ways for Atlantic energy actors. Mexico's energy reforms are moving forward, and it now seems that other Atlantic partners, like Argentina or Nigeria, might follow soon. Now is the moment, therefore, to encourage such a reform impulse in the Atlantic Basin. Yet Brazilian and various African officials have yet to embrace pan-Atlantic cooperation. Cross-border energy trade among some countries remain embryonic due to corruption, lagging connectors, or exchange rate distortions. China is lending so much to Venezuela it may end up owning the oil company.

- **Presentation by Felipe Calderon, former President of Mexico** [[hyperlink](#)]
- [“The Mexican Energy Reforms” Mario Gabriel Budebo, ex PEMEX, 2015](#)
- [Shale in Argentina, Raul Parisi, 2015](#)
- [Atlantic Basin Energy Security and Sustainability: A Brazilian Perspective, Adilson Oliveira, 2015](#)
- [“The Shifting Flows of Global Energy and Trade: Implications for Latin America” Paul Isbell, October 2015](#)

Addressing Energy Poverty in Africa. Sub-Saharan Africa is projected to double its population between now and 2040, and double it again by the turn of the century. Much of this increase will occur in African cities. With adequate supplies of energy in the form of electricity, and with assiduous application to raising education standards in particular, we can turn this population increase into a demographic dividend. Without such supplies, this dividend might instead be a demographic disaster. It is critical thus that we find the means to extend electrification into Africa. The population without access to electricity in sub-Saharan Africa is much higher than any other region of the world. Just 25 percent of African households are connected to energy. This situation presents a tremendous challenge, but it also a tremendous opportunity. Former



President of Nigeria Olusegun Obasanjo urged the AEF to consider an African Electrification Initiative.

- Presentation by Olusegun Obasanjo, former President of Nigeria [hyperlink]
- [Africa's Energy Scenario and the Sustainable Energy for All \(SE4All\) Initiative](#)
Steve Thorne and Jeff Felten
- [South Africa, Africa's Energy Future and Regional Economic Integration: Energy as a Way to Power Change](#)
Saliem Fakir, Manisha Gulati, Louise Scholtz and Ellen Davies

Energy and Security. Burgeoning Atlantic energy cooperation is also endangered by organized criminal activities and an increasingly precarious security environment for a range of Atlantic countries. Security challenges add to the cost of doing business, impair efficiency and endanger lives. Participants agreed that greater attention was warranted to this issue.

Fossil Fuels and Renewables. Energy poverty and reduction of CO² emissions/tackling climate change are seen as conflicting, but the latter cannot be tackled unless the former is also addressed, because poverty is the biggest polluter. By 2030 two-thirds of global CO² emissions will stem from non-OECD countries. 1.3 billion suffer from energy poverty and 2.5 billion people do not have access to clean cooking facilities. This is a waste of human lives and global economic potential. We are making economic choices that are uneconomic.

Participants debated the most effective ways to tackling these challenges. Non-grid renewables offer considerable potential, yet reliance on fossil fuels will continue. Participants debated the role of the market for both fossil fuels and renewables, the wisdom of energy subsidies, and the impact of technology on conventional, unconventional and renewable energy.

- [Renewable Energy Country Attractiveness Index, E&Y, 2015](#)

Added Value. There was agreement that the Atlantic Energy Forum provides a useful venue for mutual learning and exchange of experience among diverse Atlantic actors, to consider how to share the Atlantic Energy Renaissance to benefit the peoples of the Atlantic. The Forum is advantaged by its unique composition of high-level private and public actors who are not bound to government timetables yet can raise awareness and catalyze action to tap the Atlantic's energy wealth and address issues of Atlantic energy poverty. Other initiatives tend to be formed with an "us" vs. "them" approach; the Atlantic Energy Forum, as well as the broader Atlantic Basin Initiative of which it is a part, is focused on "we" and transcends such divisions. It also offers a particular opportunity for African and Latin American leaders to create closer connections. Its strength lies in inviting those with shared values as well as interests, and in being primarily non-governmental. The Forum should be demand-driven; consider itself a mixed 'think-and-do tank'; and play to its strengths as a value- and personality-driven network of reform-minded individuals able to harness their extensive public and private experience to drive greater cooperation across the Atlantic Hemisphere.

Even at an early stage the Atlantic Basin Initiative and the Energy Forum have had some impact. The government of Angola, for instance, recently adopted many energy standards set forth by ABI Eminent Persons in our Luanda Declaration of 2013.

- [The Luanda Declaration -- Towards an Atlantic Charter for Sustainable Energy](#)

Next Steps

Participants agreed it was time to set **a more structured agenda of work** for the Atlantic Energy Forum **by creating Working Groups on specific priority themes**, each led by a Group Leader



who would develop Terms of Reference and a work program for each group. Working Groups would present the results of their efforts, including recommendations for action, at the Atlantic Energy Forum 2016.

The following Working Groups were identified. The next step is for individuals to register their interest in acting as Group Leaders and to step up to organize a work program with other If Working Groups are to be viable, they must meet the market test of attracting leaders who are willing to step up, including with funding, and others willing to participate and invest time, lend expertise, and offer additional connections. Each working group would function based on an "opt-in" model, and additional participants could join who are not yet involved in the Atlantic Energy Forum.

Working Group Proposals

1. African Electrification and Energy Reform. This public-private WG will seek practical solutions to Africa's twin challenges of diversification and energy security and use, and encourage leaders to find and employ the will to address Africa's energy deficiencies.

2. Regulatory and Public Policy Issues. Regulatory and public policy certainty is essential for greater energy exploration and production. This WG would identify and showcase best practice regulatory and public policy frameworks to facilitate energy development. Specific suggestions included attention to

- Best Practice Case Studies
- Regulatory principles, such as those applied by the Texas Railroad Commission
- Templates for purchasing power agreements
- Use of an Energy Policy Valuation Tool, such as that development by Ernst and Young

3. Energy Connectivity. This WG will propose how greater Atlantic and sub-regional connectivity can facilitate greater energy access and inclusion. Potential priorities include

- A Central America-Caribbean Atlantic connector project, perhaps involving leaders from Mexico, Colombia, Honduras, Guatemala, El Salvador and other countries together with energy providers.
- Sub-regional African connectors, including exchange of good and bad practice related to sub-regional energy integration efforts, including stakeholder engagement and various regulatory frameworks for energy transmission and distribution across borders.

4. Low Carbon. Most of the renewables revolution is in the Atlantic Basin. This WG would host an ongoing Atlantic dialogue to pursue the rollout of renewable energy technologies.

5. Energy collaboration with and among multilateral development banks. The major multilateral development banks are all deeply engaged in the Atlantic space. They understand that since a major constraint on development is knowledge, their roles as "knowledge banks" are becoming increasingly important. Each is looking to incorporate an Atlantic dimension to its traditional work; and each realizes that considerable value-added may be gained via complementary and cooperative efforts across the Atlantic space, particularly with regard to energy. This WG would engage bank representatives to identify ways to build synergies among the MDBs and with stakeholders across the Atlantic space.



6. Technology, Innovation, Science. This WG would work to highlight new technologies coming on line, focus on improving access to and management of data related to energy, and use technology and innovation to expand our sense of our resource base.

Communications Strategy

Participants agreed that the Atlantic Energy Renaissance offered a compelling story, but more needed to be done to tell that story effectively to wider audiences. Participant companies were encouraged to help the AEF Secretariat develop outreach strategies.

Further funding will be key to the success of the Initiative. The Atlantic Basin Initiative and the Atlantic Energy Forum are non-profit educational ventures reliant on donor support. Individual Members can be helpful in this regard. In the meantime the Initiative must proceed step-by-step and only take on tasks that it can reasonably complete until greater funding and staff capacity can be built. Funding priorities include

- Support for the work of the small secretariat at the Johns Hopkins Center for Transatlantic Relations
- Support for Working Group activities
- Support for the Atlantic Energy Forum 2016.