



NOVEMBER 2017
NEWSLETTER



**ENERGY AND ENVIRONMENTAL POLICY
LABORATORY**
UNIVERSITY OF PIRAEUS



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Editorial

We are delighted to publish the second edition of the Energy and Environmental Policy Laboratory's monthly newsletter for November 2017.

Continuing our initiative to deliver you the latest news of the energy markets and environmental issues, we present you the major events and announcements that have taken place this past month, highlighting among others the Conference of Parties 23 in Bonn, the publication of the World Energy Outlook 2017 by the International Energy Agency and the OPEC's latest declaration of cooperation.

We would like to thank Miltiadis Nistas for coordinating this project and the rest Laboratory members, namely, Dimitris Efstathiou, Evangelia Karatsoli, Theodosios Perifanis, George Baibakis, Stavroula Karabatos, Dawid Fusiek, Labrini Zisi and Christos Giannoulis for their contribution.

We urge you to take a look at our newsletter and keep in touch with the latest developments!

Stavros Karagiannakis

ELECTRICITY

Plug-in electric vehicles: future market conditions and adoption rates

Variability surrounding future battery technology, government policies, consumer preferences, and other developments related to personal transportation markets casts a great deal of uncertainty on the long-term effects that battery electric and plug-in hybrid vehicles may have on worldwide energy consumption. This article discusses market trends related to these plug-in electric vehicles (PEVs) and compares results from standalone runs of EIA's new International Transportation Energy Demand Determinates model [1] to those presented in the International Energy Outlook 2017 (IEO2017). These results help quantify some of the uncertainty associated with the long-term effects that PEVs may have on energy markets.

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Stavros Karagiannakis

Gas Stations Get Ready for the Electric Future

A pit stop on a Norwegian highway in the middle of fields between Oslo and the Olympics town of Lillehammer will soon offer a glimpse of the future for the global gas station industry.

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Stavros Karagiannakis

RENEWABLES

IEA launches the Clean Energy Transitions Programme to support clean-energy development

The International Energy Agency announced on November 7th the launch of the Clean Energy Transitions Programme, a new multi-year, EUR 30 million plan backed by 13 countries to support clean energy transitions around the world. This new Programme will leverage the IEA's unique energy expertise across all fuels and technologies to help accelerate global clean-energy transitions, particularly in major emerging economies. The announcement was made before the start of the IEA's 2017 Ministerial Meeting, a high-level event that brings together energy leaders from around the world every two years.

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Miltiadis Nistas

EU still on track to meet targets on renewables and energy efficiency but progress slowing down

The European Union (EU) and most of its Member States are on track to reach their 2020 targets on renewable energy and energy efficiency. However, recent increases in energy consumption are slowing down progress, according to a new analysis by the European Environment Agency (EEA). The EEA analysis calls for Member States to keep energy consumption in check, particularly in times of economic growth, and to accelerate the decarbonization of the EU energy system.

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Evangelia Karatsoli



Cleaner energy: new binding targets for energy efficiency and use of renewables

New binding targets to reduce energy consumption by 40% and a minimum of 35% of all energy consumed in the EU to come from renewable by 2030 was agreed by the Industry and Energy Committee on Tuesday.

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Dimitris Efstathiou

OIL

BP, Shell lead plan for blockchain-based platform for energy trading

A consortium including energy companies BP and Royal Dutch Shell will develop a blockchain-based digital platform for energy commodities trading expected to start by end-2018, the group said on Monday.

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Stavros Karagiannakis

Tesla Truck Could Threaten Big Chunk of Oil Demand, If It Works

In accordance with the annual World Energy Outlook by International Energy Agency, freight vehicles consume 20% of the total world demand, mostly diesel. Furthermore, trucks must be accounted for the 60% of the increase in total diesel demand from 2000 and onwards. Even if electronic vehicles advance, freight and aviation will mostly continue to depend on oil. But this comes under question as Tesla Inc. and its CEO Elon Musk unveiled their electric truck which performance is even better than the diesel fueled ones. Many believe that this truck will not reverse the tide as Tesla has already problems with Model 3 and will enter the market late. What is definite is that technological advancement will pose several questions for oil in the future.

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Theodosios Perifanis

Oil Heads for Two-Year High as U.S. Stocks Shrink Ahead of OPEC

Oil headed for its highest close since June 2015 while trading volume surged after U.S. industry data showed crude stockpiles resumed declines and as investors await a decision by OPEC on extending output cuts. January futures rose as much as 2 percent in New York on volume almost seven times higher than the 100-day average. Inventories fell by 6.36 million barrels last week, the American Petroleum Institute was said to report. Data from the government Wednesday is forecast to show supplies slid 2.2 million barrels, according to a Bloomberg survey, the first decline in three weeks.

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Stavros Karagiannakis

Hey OPEC, the World's Largest Oil Consumer Needs a Lot Less Oil

USA, OPEC's biggest oil importer, reduced its oil imports to just 1,77 million barrels/day. Rising oil prices, as well the rising American shale production could further deteriorate the situation. More pressure is being pointed to OPEC and non-OPEC countries to extend their production's cuts agreements on Thursday (30/11/2017), for the sake of the oil markets' rebalance.

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Stavroula Karabatos

The UAE's energy dilemma

The UAE was the first country in the Middle East which ratified the Paris climate change agreement. It has set lots of goals for greener and cleaner means of energy production. The dilemma, lies on the fact that these projects are rather than cheap. The transition from a petroleum based economy to a green one is challenging, because the funds for this transition come from the petroleum exports.

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Stavroula Karabatos



OPEC agrees oil cut extension to end of 2018

OPEC agreed on Thursday, November 30th, to extend oil output cuts until the end of 2018 as it tries to finish clearing a global glut of crude while signaling it could exit the deal earlier if the market overheats.

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Miltiadis Nistas

Oil drops for third day, awaiting OPEC decision

Conflicting statements from oil ministers has led to a decrease in oil prices, in the aftermath of OPEC's meeting in Vienna. Oil has retreated as concerns arise regarding the possible short-term extension to its current deal cutting supply by 1.8 million per day until March. The cartel is reviewing a clause that applies to a potential extension, whereas Russia worries that a strong price rally could harm its exports by a boost to the rouble.

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George Baibakis

Norway's \$1 trillion wealth fund proposes to drop oil, gas stocks from index

Norway's trillion-dollar sovereign wealth fund is proposing to drop oil and gas companies from its benchmark index, which would mean cutting its investments in those companies, the deputy central bank chief supervising the fund told Reuters.

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Dimitris Efstathiou

Saudi Arabia boosts Oil pipeline security as Iran denies pipeline attack

The pipeline connecting Saudi Arabia and Bahrain was attacked. The Interior Ministry of Bahrain accused that the terrorist activities were instructed by the Iranian government. The pipeline resumed to pumping oil the same day. So the crisis was avoided. Last week, Saudi Arabia had to face an attempted missile attack on Riyadh's international airport that was again connected with the government of Iran. There is a rising tension in the region that led the Saudi

Arabia to increase security measures protecting the oil pipelines.

[read more](#)

Dawid Fusiek

GAS

EU plans rule change to snag Russian pipeline

The European Commission is proposing to extend EU internal energy market rules to cover offshore gas pipelines, an EU document shows, its latest attempt to regulate Russia's planned Nord Stream 2 pipeline to Germany. The EU executive sees Russia's plan to double the gas could pump under the Baltic Sea to Germany, bypassing traditional routes via Ukraine, as undercutting EU efforts to reduce dependence on Moscow and its support for Kiev.

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Miltiadis Nistas

Russia is expending to the Middle East

Rosneft and Gazprom signed six cooperation deals with Iranian government concerning the fields of oil and gas. Two weeks ago, Rosneft bought in Iraq the Kurdistan's biggest pipeline.

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Dawid Fusiek

Russia's Gazprom, Iran fund in initial deal – agency

Russian gas giant Gazprom signed an initial agreement with Iranian state-run investment fund IDRO to cooperate in unspecified oil, gas and energy projects, Iran's state news agency IRNA reported on Sunday, November 5th.

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Miltiadis Nistas



Shipping firm CMA CGM chooses LNG to power new vessels

Container shipping giant CMA CGM [CMACG.UL] said on Tuesday, November 7th, that it would use liquefied natural gas (LNG) to power nine extra-large vessels it has ordered, in a first for an industry grappling with how to comply with tougher rules on emissions. CMA CGM had announced in September an order for nine vessels that would be among the largest container ships ever built, but it said it was still studying what fuel to adopt. Compared to heavy fuel oil, LNG would allow ships to reduce sulfur emissions by 99 percent, carbon dioxide emissions by 25 percent and the overall environmental footprint by 20 percent, CMA CGM said.

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Miltiadis Nistas

Potential of gas hydrates is great, but practical development is far off

Methane hydrates (or gas hydrates) are cage-like lattices of water molecules containing methane, the chief constituent of natural gas. They may represent one of the world's largest reservoirs of carbon-based fuel. However, with abundant availability of natural gas from conventional and shale resources, there is no economic incentive to develop gas hydrate resources, and no commercial-scale technologies to exploit them have been demonstrated.

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Christos Giannoulis

Almost 40% of global liquefied natural gas trade moves through the South China Sea

The South China Sea is a major route for liquefied natural gas (LNG) trade and an important trade route for Malaysia and Qatar. In 2016, almost 40% of global LNG trade, or about 4.7 trillion cubic feet (Tcf), passed through the South China Sea.

[read more](#)

Dimitris Efstathiou

Eight Energy Majors Pledge to Curb Methane Emissions

Some of the biggest players in the oil and gas industry have launched an initiative to reduce methane emissions from natural gas, a major contributor to climate change. ExxonMobil, BP, Eni, Repsol, Shell, Statoil, Total and Wintershall have committed to both reduce methane and to improve the monitoring of methane emissions to measure progress and increase transparency.

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Miltiadis Nistas

ENERGY POLICY

IEA welcomes Greece's progress with energy sector reform and encourages the country to maintain the momentum

Greece has made noticeable progress with its energy-sector reforms in recent years. The country moved forward on plans to restructure state-owned companies and liberalize electricity and gas markets, an impressive programme that will lead to more competitive and financially viable energy markets offering choices and low prices to consumers, according to the International Energy Agency's latest in-depth review of Greece's energy policies. The IEA report, Energy Policies of IEA Countries: Greece 2017 Review, encourages the country to pursue energy sector reforms that will provide long-term economic benefits. Prior to the launch of the report, IEA Executive Director Dr Fatih Birol held a bilateral with Greek Energy and Environment Minister George Stathakis in Athens to discuss the IEA's policy recommendations as well as recent developments in global energy markets.

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Miltiadis Nistas

France postpones target for cutting nuclear share of power production

The French government has postponed a long-held target to reduce the share of nuclear energy in the country's power production after grid operator RTE warned it risked supply



shortages after 2020 and could miss a goal to curb carbon emissions.

[read more](#)

Evangelia Karatsoli

Low and high economic growth cases for China and India

Economic growth in both China and India is an important determinant of worldwide energy consumption because of their large size and the anticipated high economic growth that extends far into the future. Yet, considerable uncertainty exists as to how fast these two economies will actually grow over the next 25 years. This article discusses the economic developments in these two countries and compares results from separate runs of the U.S. Energy Information Administration's (EIA) World Energy Projection System Plus (WEPS+) model to the projections in the International Energy Outlook 2017 (IEO2017). These results help quantify some of the uncertainty associated with the effects that differences in long-term economic growth in China and India may have on international energy markets.

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Stavros Karagiannakis

Norway Idea to Exit Oil Stocks Is 'Shot Heard Around the World'

Norway's proposal to sell off \$35 billion in oil and natural gas stocks brings sudden and unparalleled heft to a once-grassroots movement to enlist investors in the fight against climate change. The Nordic nation's \$1 trillion sovereign wealth fund said 16/11 that it's considering unloading its shares of Exxon Mobil Corp., Royal Dutch Shell Plc and other oil giants to diversify its holdings and guard against drops in crude prices. European oil stocks fell.

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Stavros Karagiannakis

EIA forecasts growth in world nuclear electricity capacity, led by non-OECD countries

EIA's International Energy Outlook 2017 (IEO2017) projects that global nuclear capacity

will grow at an average annual rate of 1.6% from 2016 through 2040, led predominantly by countries outside of the Organization for Economic Cooperation and Development (OECD). EIA expects China to continue leading world nuclear growth, followed by India. This growth is expected to offset declines in nuclear capacity in the United States, Japan, and countries in Europe.

[read more](#)

Dimitris Efstathiou

EU ENERGY POLICY

EU strikes deal on carbon market reform

An agreement was reached after months of dogged talks among EU nations, the European Parliament and the EU executive to finalize reforms to the EU Emissions Trading System (ETS) for after 2020.

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Dimitris Efstathiou

The EU list of projects of common interest (PCI)

Brussels has published its third report on the state of the Energy Union, and the latest list of gas and electricity infrastructure projects eligible for EU loans and grants.

[read more](#)

Dimitris Efstathiou

EU states agree Brexit safeguard measure for carbon market

EU member states agreed on Thursday, November 30th, to protect the bloc's carbon market from a hard Brexit by invalidating UK-issued allowances from 2018 unless Britain ensures its companies meet their obligations under the scheme before it leaves the bloc.

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Miltiadis Nistas



ENVIRONMENTAL POLICY

Concrete Climate Action Commitments at COP23

A few days after the UN Climate Change Conference for 2017 in Bonn came to a close, it's good to be reminded of the new wave of climate action that has been announced during COP23 from countries, cities, states, regions, business and civil society. Here's a list of key announcements and initiatives.

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Miltiadis Nistas

2017 Yearbook of Global Climate Action Launched at COP23

At the High-Level closing of the Global Climate Action events, the first Yearbook of Climate Action was presented to UN Secretary-General António Guterres. The Yearbook captures the climate actions of businesses, investors, cities, regions and civil society, demonstrating that non-Party stakeholders are steadily progressing to achieve the central goal of the Paris Agreement – to limit the rise of global average temperatures to well below 2 degrees Celsius and as close as possible to 1.5 degrees.

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Miltiadis Nistas

At least 15 states join global alliance to phase out coal by 2030

At least 15 countries (Britain, Canada, Denmark, Finland, Italy, France, the Netherlands, Portugal, Belgium, Switzerland, New Zealand, Ethiopia, Mexico and the Marshall Islands) have joined international "Powering Past Coal Alliance" to phase out coal from power generation before 2030, delegates at U.N. climate talks in Bonn said.

[read more](#)

Evangelia Karatsoli

Energy Union: Commission takes action to reinforce EU's global leadership in clean vehicles

The Commission proposes new targets for the EU fleet wide average CO2 emissions of new passenger cars and vans to help accelerate the transition to low- and zero emission vehicles. The Commission took a decisive step forward in implementing the EU's commitments under the Paris Agreement for a binding domestic CO2 reduction of at least 40% till 2030.

[read more](#)

Evangelia Karatsoli

Climate Action by China, India to Offset Trump: Study

Global warming is likely to be slightly less severe than previously expected thanks to stronger climate policies by China and India that will offset less U.S. action under President Donald Trump, a study showed.

[read more](#)

Labrini Zisi

UN Climate Change and World Health Organization Team Up to Protect Health from Climate Change at COP23

The World Health Organization (WHO) and the United Nations Climate Change Secretariat (UNFCCC) signed a new Memorandum of Understanding (MoU) on November 12th to renew the two institutions' joint commitment to tackle public health challenges emerging from rising temperatures and to help countries boost the efficiency of their response to climate change.

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Miltiadis Nistas

COP23 Awarded Certification for Sustainable Conference

COP23 in Bonn is the first UN Climate Change Conference to receive official certification for eco-friendly performance. Federal Environment Minister Barbara Hendricks and Ovais Sarmad, UN Climate Change Deputy Executive Secretary were today presented with the Eco-



management and Audit Scheme (EMAS) certificate. The certificate verifies the event management's successful and environmentally-friendly organization of the conference.

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Miltiadis Nistas

'InsuResilience' to Provide the Poor with More Financial Protection Against Climate Risks

An international initiative aimed at providing insurance to 400 more million poor and vulnerable people by 2020 moved into a higher gear with the announcement of additional funding and many more partners. The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions, launched on 14/11 at the 2017 UN Climate Conference in Bonn, now brings together G20 countries in partnership with the V20 nations.

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Evangelia Karatsoli