Energy policy of Russia: “Eastern vector”

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Institute of Energy Strategy
Priorities of the external energy policy of Russia

- ensuring maximal benefits for the country from the economic activity in the sphere of export, import and transportation of energy resources
- expansion of Russian companies’ presence in the global energy markets
- stimulation of growth in the amount of exported production with high added value and export’s structure diversification;
- diversification of directions of energy resources export;
- providing support for mobilization of foreign investment into the national economy;
- enhancement of cooperation between producers and consumers of energy resources;
- development of new forms of international energy cooperation.
## Estimated growth rates of the primary energy consumption, %

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<thead>
<tr>
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<th>International Energy Agency</th>
<th>Energy Information Administration</th>
<th>Institute of Energy and Finances</th>
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<tbody>
<tr>
<td>World</td>
<td>2.3</td>
<td>1.4</td>
<td>1.8</td>
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<tr>
<td>OECD</td>
<td>1.1</td>
<td>0.6</td>
<td>0.8</td>
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<tr>
<td>Developing economies</td>
<td>3.8</td>
<td>2.2</td>
<td>2.8</td>
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<td>Asia</td>
<td>4.3</td>
<td>2.2</td>
<td>3.1</td>
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<td>Middle East</td>
<td>3.9</td>
<td>2.3</td>
<td>2.9</td>
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<tr>
<td>Africa</td>
<td>1.8</td>
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<tr>
<td>South America</td>
<td>2.6</td>
<td>2.0</td>
<td>2.3</td>
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Scheme of oil-trunk pipelines and oil refineries in the Eastern part of Russia

In 2020 oil refineries in the region will produce 6.2 million metric tons of gasoline and 10.2 million metric tons of diesel fuel.

Newly constructed oil refineries:
- will be export-oriented;
- will satisfy local demand in remote regions.

Stages of the realization of ENPO-project

1. st. - construction of the pipeline Tayshet - Skovorodino (carrying capacity - 30 million metric ton/year)
   - construction of the special oil sea port "Koz'mino"

2. nd. - construction of the pipeline Skovorodino - the Pacific Ocean (carrying capacity - 50 million metric ton/year)
   - increase in carrying capacity of the pipeline Tayshet - Skovorodino up to 90 million metric ton/year
Formation of new gas-extraction centers in the Siberia and Far East

- formation of 4 new gas-extraction centers in Sakhalin and Irkutsk oblast, Krasnoyarsk region and Yakutiya
- creation of gas pipelines "Sakhalin - Khabarovsk - Vladivostok" and "Chayandinskoe field - Blagoveschensk - Khabarovsk"
- development of the network of gas refining plants
Measures of national energy policy (in effect)

In pursuance of national energy policy, the Government:

- approved amendments to the Tax Code of the Russian Federation, dealing with the mechanism of the Unified Natural Resources Production Tax (UNRPT) collection
- approved the package of measures aimed at creation of favorable terms for associated gases’ utilization
- annulled state price regulation of associated gas sold to gas-processing plants
- annulled import duties on equipment for oil refineries not produced in Russia
- created favorable customs conditions for petroleum refining at Russian oil refineries
- approved the General scheme of electric power facilities’ distribution
Measures of national energy policy (planned)

- Zero-rate UNRPT at the initial stage of oil fields’ exploration in the offshore areas of the Black Sea and the Sea of Okhotsk;
- Tax benefits and exemptions for stimulation growth in oil extraction and putting into operation idle oil wells;
- Abolition of redundant administrative barriers in the sphere of oil extraction, storage and transportation;
- Increase in validity of standards of hydrocarbons’ process losses;
- Decision-making in the sphere of tariffs, guaranteeing resources availability for new export destinations;
- Development and approval of the Order of non-discriminatory access to the free capacities of gas transmission networks in the Russian Federation;
Measures of national energy policy (planned)

- Development and approval of the Technical regulations “About security of industrial processes and gas transmission systems”, “About security of long-distance, intra-field and local feeding pipeline transport”;
- Stimulating creation on the territory of Russia new oil, gas and chemical refineries independent from vertically-integrated companies;
- Introduction of zero-rate import duty on petrochemicals, including aviation fuel of 3-rd, 4-th and 5-th class;
- Transformation of the mechanism of export duties’ on light and heavy petroleum products collection in order to increase the commercial efficiency of the projects on deep oil processing.
Measures of national energy policy (planned)

- Development and approval of the:
  - Energy Strategy of Russia for the year 2030;
  - General scheme of development of the gas industry;
  - General scheme of development of the pipeline transport;
  - Program of long-term development of the coal industry;
  - State program on research and exploration of the continental shelf of the Russian Federation;
  - Program of long-term development of the Far-Eastern fuel and energy complex;
  - Program of development of oil refining capacities in the regions of the Siberia and Far-East.
Increase in volumes of the energy resources’ production in the region is the leading factor of the development of the Russian external energy policy’s “eastern vector”

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<td></td>
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<td>Actual</td>
<td>Min</td>
<td>Max</td>
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<tr>
<td>Primary energy resources</td>
<td>million tons of coal equivalent.</td>
<td>121,8</td>
<td>328,9</td>
<td>412,7</td>
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<tr>
<td>Oil</td>
<td>million metric tons</td>
<td>15,6</td>
<td>64</td>
<td>85</td>
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<tr>
<td>Gas</td>
<td>billion cubic meters</td>
<td>9,7</td>
<td>82</td>
<td>148</td>
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<tr>
<td>Coal</td>
<td>million metric tons</td>
<td>106,2</td>
<td>208</td>
<td>248</td>
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<tr>
<td>Electricity</td>
<td>billion kWh</td>
<td>190,3</td>
<td>339</td>
<td>424</td>
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According to present estimations, the share of ATR in the export of Russian energy resources will gradually increase.
Cooperation between the Russian Federation and Japan in the sphere of energy industry

Principal documents:
- «Main directions of the long-term partnership between the Government of the Russian Federation and the Government of Japan in the sphere of energy industry»
- «Subjects of partnerships in particular spheres of the energy industry»

Main directions of cooperation:
- exploration and exploitation of fields of energy resources, their transportation and processing
- construction of the pipeline system “The Eastern Siberia – The Pacific Ocean”
- development of electric power industry, renewable energy resources, introduction of high technologies into the energy industry
- increase in energy efficiency and development of energy saving
- ecological efficiency of the energy industry
Thank you for attention!