To: Shale Gas & LNG Course
From: Professor Sakmar
Date: January 11, 2016
Re: 1st Research Assignment - The Role of Natural Gas in the World’s Energy Supply Mix
Due Date: January 22, 2016

Overview:

In June 2011, the International Energy Agency (IEA) released a report whose title asked the question “Are We Entering a Golden Age of Gas?” In that report, the IEA presented a positive outlook for the future role of natural gas in the world’s energy supply mix and projected that natural gas would grow from 21% to 25% of the world’s energy mix by 2035. The question mark was not accidental and reflected continued uncertainties over the future of natural gas, especially pertaining to the potential for unconventional gas.

In 2012, the IEA released the “Golden Rules for Gas,” and noted that natural gas is poised to enter a “golden age,” but only if a significant proportion of the world’s vast resources of unconventional gas – shale gas, tight gas and coalbed methane – can be developed profitably and in an environmentally acceptable manner. In particular, the IEA recognized that unconventional gas did not yet have the degree of societal acceptance required for it to flourish. “Without a general, sustained and successful effort from both governments and operators to address the environmental and social concerns that have arisen, it may be impossible to convince the public that, despite the undoubted potential benefits, the impact and risks of unconventional gas development are acceptably small.” The IEA offered the Golden Rules special report as a contribution to the solution of this dilemma and offered a number of suggestions that could help industry earn the “social license to operate”.

Assignment: Each person will direct their research towards a particular country and/or state as follows:

1. If you are originally from a country other than the United States, research the role of natural gas in your home country. If there is no information about natural gas in your home country, then you are free to choose any country.
2. If you are originally from the United States, you will need to briefly address the role of natural gas in the U.S. in general as well as a brief overview of the role of natural gas in your home state (e.g. Texas, California, etc.)

Discussion Points: Use your best judgment on what to include depending on your research

1. Does your country/state use natural gas? If so, for what?
2. What is the natural gas consumption of your country/state?
3. Does your country/state produce natural gas? If so, how much?
5. Does your country/state import OR export natural gas? If so, from where? Via LNG? Pipeline? How much?
7. Is your country/state pursuing shale gas? If so, what is the regulatory framework? If not, why not?
8. In light of the current downturn in energy, has the “Golden Age of Gas” come and gone? Or, is it yet to come?

Format:

Your response should be prepared in memo format and limited to 2-4 pages. The short length of the written assignment requires that your answers be brief and to the point but you will have the opportunity in class to elaborate on your responses.

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1 International Energy Agency (IEA), Are We Entering the Golden Age of Gas? (June 2011), available at http://www.worldenergyoutlook.org/goldenageofgas/