

RTC Report
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NATIONAL MARITIME FOUNDATION

Round Table Conference

on

India's Energy Security Challenge

Chair : RAdm (Retd) K. Raja Menon

Speakers : Ms. Shebonti Ray Dadwal, Research Fellow, IDSA

: Ms. Ruchika Chawla, Fellow, Centre for Research on Energy Security, TERI

: Dr. Sunjoy Joshi, Distinguished Fellow, ORF.

: Mr. Venu Rajamony, Joint Secretary (Energy), Ministry of External Affairs

Date : May 28, 2010

Venue : NMF Conference Hall

Rapporteur: Anushree Bhattacharya

The chair, RAdm Raja Menon, noted that energy is the single commodity vulnerability of nation-states. He added that China and India have adopted two different strategies to meet the energy security challenge.

The first speaker, Ms. Shebonti Ray Dadwal, Research Fellow, IDSA highlighted different aspects of energy security and the increasing overlap between national and global connections over the issue.

Economic and politico-strategic dimensions were referred to, wherein the high demand growth which leads to depletion of resources, thereby influencing price factor, was elucidated. She also raised the issue of energy investment and our dependence on the international market system, which makes the prediction for long-term energy scenario difficult. In the maritime dimension, the role of non-state actors and the psychological factors impinging on the price factor was emphasized. The climate change dimension brought out the problems of huge investment in highly sophisticated technology, economic aspects through WTO route and the IPR issue related to the climate technology. Finally, she called for urgent reforms structure with a matured regulatory structure within the country.

The second speaker, Ms. Ruchika Chawla, Fellow, Centre for Research on Energy Security, TERI, spoke on the topic of “Climate Change and India’s Energy Security Challenge”. She dwelt on the convergence between energy security and climate change, and the interventions required to move towards a secure energy-enabled and sustainable future. The focus of the presentation was the lack of diversification of energy resources, limited energy access and high, volatile oil prices. She presented four scenario building options formulated by TERI:

- Reference Energy Scenario (RES), where development continues along current paths with autonomous feasible efficiency improvements taking place, increased use of renewable energy carrying on at the same pace and defined policy priorities being implemented.
- Sustainable Energy Scenario (SES), where a determined effort is made for efficiency improvements both on the supply and demand sides – an accelerated push for renewable energy, nuclear and new technologies. Energy security concerns are paramount in this scenario.
- Global Equity Scenario (GES) is the third option involving the Indian Prime Minister’s commitment that India’s per capita carbon emissions would never exceed those of the developed world; and it is optimistically assumed here that the developed world would be able to bring down its emissions to a level of 2 tonnes/capita by 2030 as indicated by IPCC AR4.
- Finally, Stringent Mitigation Scenario (SMS), where even more stringent emissions reductions are considered, provided India takes on an extremely aggressive approach to energy self-sufficiency.

Ms. Chawla explained that from the scenario of RES to SMS, there is a 7-times increase in commercial energy consumption between the period of 2001 to 2032. In the primary commercial energy supply in 2031, under the RES scenario, coal and oil will be predominant while in SMS scenario, solar and energy saving measures will take over from fossil fuel components. In the power generation capacity mix in 2031, under SMS scenario, solar and hydro power will take the lead. In the convergence between energy security responses and climate change responses, she observed that alternative energy, energy efficiency measure and nuclear energy will be the answer. On the interventions required to move towards secure energy-enabled and sustainable future, the speaker spoke in favour of natural gas, which has a scope for transition fuel, renewable energy resources which is a must in the long term, energy efficiency and finally nuclear energy.

Ms. Chawla's presentation was followed by that of Dr. Sunjoy Joshi, Distinguished Fellow, ORF, who began by unambiguously stating that the threat to energy security does not come from Pakistan or China; it comes from within – primarily the uncertain regulatory system in the country. He expressed skepticism over the use of solar energy and explored options confined to crude oil, natural gas, coal and nuclear energy where the concerns over safety issue can be dealt with. He pointed out the discovery of Shale gas in the US as a possible option. However, he mentioned that the price would have to be high enough in order to develop technology for the same. In conclusion, hinting at policy options, he emphasised the need for a pricing strategy so that the requisite technology can be developed. On the subject of climate change, he observed that due to limited industrialization, India's carbon emission is at best 3 tonnes per capita which is much less than what the developed countries and China emit. Therefore, it is best for India to take an independent stand, rather than accepting the limits imposed at the climate negotiations.

The final speaker, Mr. Venu Rajamony, JS (Energy) at MEA in the Gol concluded the session with his remarks, agreeing with the other speakers on the climate change issues vis-a-vis energy security. He also accepted that India has a long way to go in eradicating poverty and bringing power to the poor. He indicated that in order to grow at 8-9 per cent GDP, India needs a sustainable long term strategy for energy security.

Discussion

The key points which emerged in the discussion are as follows:

- The cost effectiveness of the pipelines was debated and it emerged that pipelines are yet to become a viable option for transportation of energy resources.
- On solar energy, the issue of large acre of lands required for planting solar stations was raised.
- There was a debate over inadequate disposability mechanisms of CFL bulbs while discussing energy efficiency measures.
- Changing geopolitics and its effects on energy security and India's attempt to get closer to Myanmar, Central Asia and Iran for its future energy needs were other points of discussion.
- The viability of space-based solar plants was discussed.
- India should not ally itself with China on climate negotiations. This is because China has industrialized and very soon it will emerge as a developed country. As a result, it can pledge for 20 per cent reduction cut since it has developed adequate infrastructure in the country. India, on the other hand, is still in its early growth phase and any commitment in this regard, will tie down India's hand.
- In Africa, there is a visible trend of some Indians acquiring lands, which in the long run will benefit its food security issue.
- The real reason for the failure of talks on Iran-Pakistan-India (IPI) pipeline is uncertainty in the Indian market. The suppliers are not confident that they can sell the commodity at a profitable price in India. As a result, they are looking for European markets which are more attractive. However, the Iranians' hope for European markets has been thwarted by the Russians. Therefore, if Russia can be a partner in the IPI negotiations and India in turn, offer viable prices, then the negotiation will fructify.
- The role of insurance underwriters in Iran pipelines must not be ignored.
- There is need for an Energy Department in Gol with a dynamic energy minister, similar to the US system.