

Energy Security and the Paris Agreement

The following summary of remarks was provided by Elena Subia Melchert, President, Energia Consulting LLC.

We all use energy. We all need energy. We are all paying for energy.

Energy poverty is very real for some people....and with high energy prices, even more people are going to join the ranks of the energy poor.

Unlike solar energy, wind energy, nuclear energy, or hydroelectric power, oil and gas are used as feedstock as well as fuel. ... oil and gas are [fundamental to] ...the manufacture of low-cost materials for use in [hospitals such as] gowns, masks, tubing, syringes, tape, and bags, just to name a few.

*[In 1973] OPEC, the Organization of Petroleum Exporting Countries, imposed an oil embargo on the U.S. led by Saudi Arabia. At that time, the U.S. was **importing more than half the oil** it was using every day. In **1975** the Strategic Petroleum Reserve was established and in 1977 the first shipment of oil was stored there—oil purchased from Saudi Arabia.*

*In **1977**, the Department of Energy was established under President Carter. **President Reagan eliminated price controls** on oil and natural gas allowing **market forces to set the prices for oil and natural gas**. The **shale revolution** began in 2006 for the production of natural gas from shales, and in 2011 for production of shale oil. The U.S. produced so much oil and gas that the ban on U.S. oil exports was lifted in 2015.*

*Under President Trump, the **U.S. become the top oil and gas producer in the world**; 2019 marked the first time in 67 years that American **annual gross energy exports exceeded gross energy imports**. This caused **OPEC to lose world market power and its stranglehold** over U.S. energy.*

*The Paris Agreement is a **legally binding international treaty on climate change**. It was adopted by 196 Parties at COP 21 [the 21st Conference of the Parties] in Paris, in December 2015 and entered into force a year later in November 2016.*

*Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. ...there is **no hard enforcement** in the Paris Agreement. Every year, international delegates hop on planes, fly all over the world, meet, talk, congratulate each other, fly home, and are accountable for nothing.*

*The Paris Agreement is a **diplomatic agreement** and countries decide their own pledges. There's not much formal accountability... a **major feature** of the Paris Agreement is a **commitment** from wealthier countries like the **United States** to provide **financial and technological assistance** to the developing world—including countries with very large but still developing economies like China.*

*...the **causality** between **carbon emissions and climate change** is still a **theory**. It's based on a **model** which is subject to **assumptions**.*

*...the Administration has pledged to **decarbonize** the electric power sector by 2035 and achieve a **net-zero carbon economy by 2050**. This is what is referred to as the **energy transition**.*

*...there is **no enforcement mechanism** in the Paris Agreement AND **developed countries have agreed to provide funding** for less developed countries such as China. Currently, **no country** has achieved full compliance with their commitments.*

*...the Paris Agreement does not say that [the world] should use **no oil**. In fact, the energy consumption profile of 2050 [in the Paris Agreement] is **the same** as it is today--- 80% fossil fuels and 20% everything else.*

***COP 27**, will begin in two weeks, November 6 - 18 and will be hosted by the Government of the Arab Republic of Egypt...*

*Our country is **blessed** with access to **all energy types**. There are **33 oil and gas producing States** in the USA. Americans should be **free** to use **any** type of energy they have access to.*

*We value **diversity** of thought, **diversity** in our investment portfolios, **diversity** of inclusion, **it is no different with energy supply**. All types of energy should be made available **without prejudice**.*

*You can find **all the facts** about energy supply and demand at one key website---eia.gov. **EIA.GOV** it stands for Energy Information Administration which is an independent agency of the U.S. Department of Energy.*