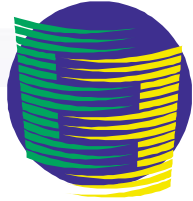




2015 International Energy Charter

Club Español de la Energía
Madrid, 2 July 2015

Dr Ernesto Bonafé
Regulatory expert
Energy Charter Secretariat



Energy Charter

- 1991 European Energy Charter
- 1994 Energy Charter Treaty
- 2015 International Energy Charter



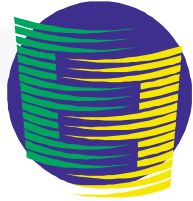
1991 European Energy Charter

- End of Cold War
- East – West energy cooperation
- Open markets and private sector
- Political declaration

1994 Energy Charter Treaty



- Legal foundation
- Multilateral framework
- Intergubernamental
- A level playing field
- Reduction of non-commercial risks
- Rule of law



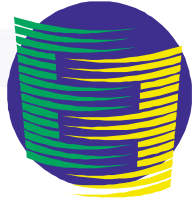
1994 Energy Charter Treaty

- Global energy security
- Open and competitive markets
- Sustainable development



1994 Energy Charter Treaty

- Investment protection/promotion
- Free trade and transit
- Energy efficiency
- Dispute resolution mechanisms
- National sovereignty



Investment promotion / protection

- Broad definition
- Non-discrimination
- National treatment / MFN
- FET
- No expropriation



Trade and Transit

- Products, materials, equipment, and services
- Reduction of barriers and tariffs
- Reference to WTO rules
- Non-discriminatory transit
- Secure established energy flows

Dispute settlement

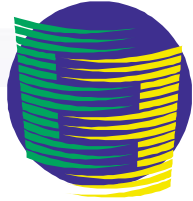


Investor – State

- Amicable
- National / International
- ICSID, UNCITRAL, SCC

67 known cases

- 21 awards, 7 agreements, 39 pending



Soft law

- Energy efficiency
- Transfer of energy technology
- Access to capital
- Environmental protection



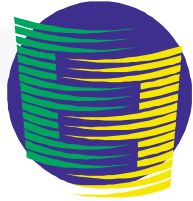
National Sovereignty

- Natural resources
- Energy mix
- Liberalisation
- Market structure
- Ownership
- Environmental regulation
- Taxation



2015 International Energy Charter

- Today's energy challenges
- Global dimension
- Contents
- Benefits



Sustainable energy model

- Decarbonised energy sector
- Renewable generation
- Regional energy markets
- Demand response
- New business models
- Universal access



Restructuring and competition

- Unbundling
- Competitive wholesale and retail markets
- Transmission and distribution
- Third party access
- Incentive regulation
- Independent regulatory agencies



Climate change

- Limit 2°C – reducing world GHG by 2050
- Comprehensive international agreement
- National measures: EU, US, China, Latin America
- IEA – 90% global electricity mix by 2050
- IEA – 57% RES by 2050



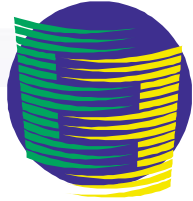
From national to regional markets

- Flexibility for power system
- Transmission network planning
- Regional trading platform at wholesale / retail
- Transmission congestion management
- RES Incentives
- Capacity mechanisms



2015 International Energy Charter - Objectives

- Framework for international energy relations
- Based on open, secure and sustainable markets
- Consuming, producing and transit countries
- Developed and developing countries



2015 International Energy Charter - Global

- Chile, Colombia, United States...
- Cambodia, China, Japan, Korea, Philippines...
- Burundi, Chad, Niger, Nigeria, Uganda, Tanzania...
- Lebanon, Mauritania, Morocco, Israel, Iran, Palestine
- EU and member states



2015 International Energy Charter - Contents

- Access to energy sources
- Access to markets
- Liberalisation of trade
- Promotion /protection of investments
- Safety principles
- Technology transfer
- Energy efficiency and clean energy
- Access to sustainable energy
- Education and training
- Diversification of energy sources and supply routes



2015 International Energy Charter - Benefits

- Long-term stability and certainty policies /markets
- Availability of resources and diversify supply
- Costly investments in new technologies
- Building trust in global energy markets
- From market principles to market rules: ECT



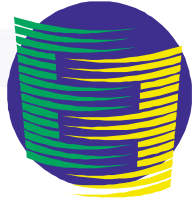
Africa

- 620 m without access to electricity
- Investment of \$55 b/year instead \$8 b/year
- UN SE4All – universal access / RES / efficiency
- EU Technical Assistance Facility
- IEC / ECT – Framework for private investments
- Mauritania, Mozambique, Nigeria, Tanzania
- East Africa Community



Middle East and North Africa

- New ENP
- UfM
- MEDREG
- Med-TSO
- Good governance and Rule of law – IEC / ECT



Latin America

“The region will continue to struggle with energy supply problems unless concrete measures are made to integrate its energy markets [...] The Latin America and Caribbean region must optimize its energy supply options nationally and across the region in order to support the needs of its growing economies and increasing population” (World Energy Council)

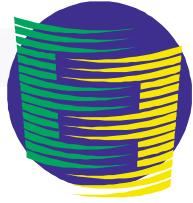


**THE
HAGUE**

INTERNATIONAL

ENERGY CHARTER

20 & 21 MAY 2015



Thank you very much

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