# RUSSLAND ALS LIEFERANT NACHHALTIGER ENERGIE – CHANCEN FÜR GREENTECH-UNTERNEHMEN AUS DEUTSCHLAND

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Webinar der Germany Trade & Invest / 21.10.2021, ONLINE

# COUNTRY OVERVIEW – WINTERSHALL DEA ACTIVITY

**60%**

of Wintershall Dea reserves

**47%**

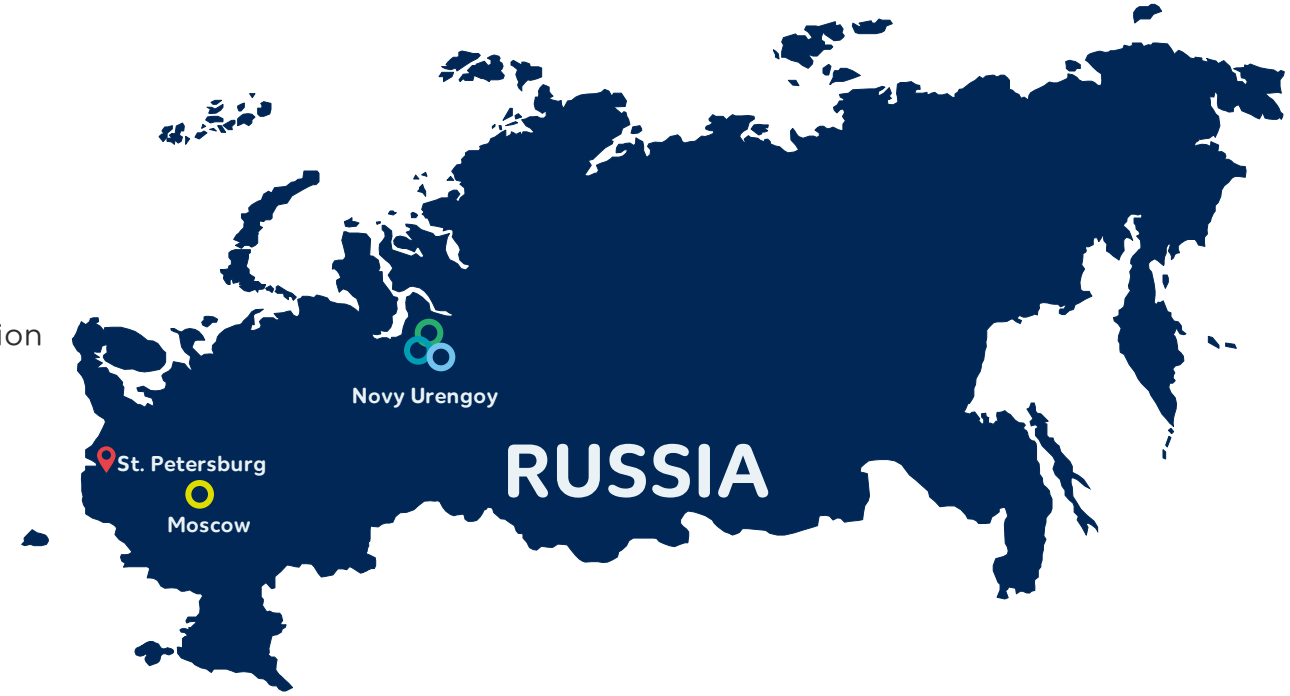
of Wintershall Dea production

**2,155 mmboe**

Total 2P reserves (2020)

**295 kboe**

Daily production rate (2020)

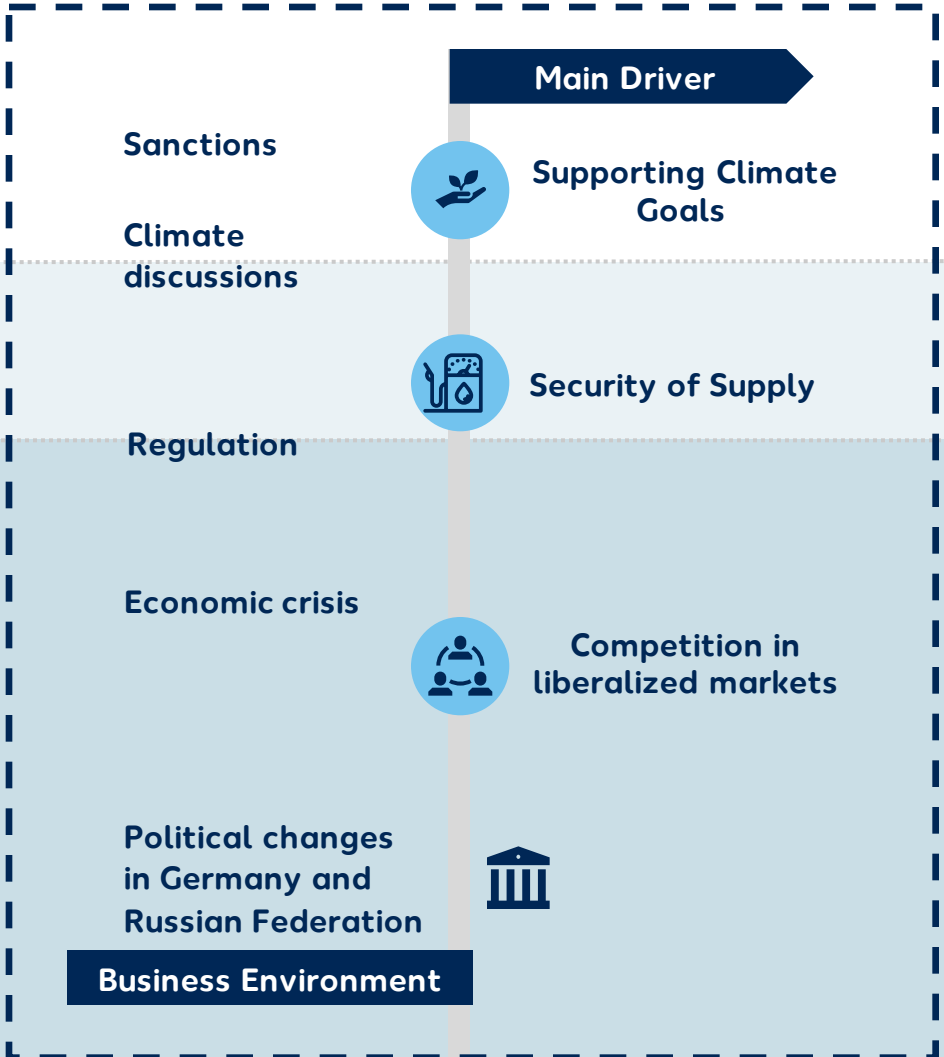



**3**

**JVs**

- **Achimgaz**
  50% WD, 50% Gazprom
- **Achim Development**
  25% WD, 75% Gazprom
- **Severneftegazprom**
  25% WD, 25% OMV, 50% Gazprom
  (35% WD, 25% OMV, 40% Gazprom – economic share)

# FORMULA OF SUCCESS:
# STRATEGIC COOPERATION DESPITE TIMES OF CHANGES



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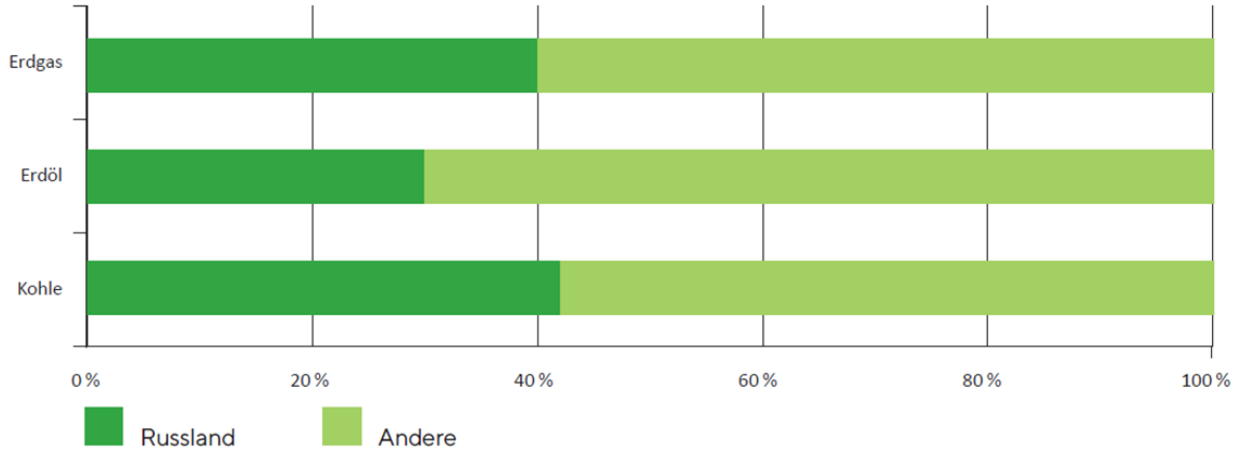
# EU-RUSSIA ENERGY RELATIONS / STATUS 2021

EU-Russia partnership is characterized by both **conflictive** and **cooperative** elements, **sensitivity** and **vulnerability** **interdependence**

- **> 50 years** of Russian gas supplies to Europe
- **30 years** of Gazprom direct entrance into European Gas Market
- **20 years** of EU-Russia Energy Dialogue

Since **7 years** some of the policy dialogues and mechanisms of cooperation are **temporarily frozen**, and **sanctions** directed at promoting a change in Russia's actions in Ukraine **imposed**

## EU ENERGY IMPORTS 2019




Quelle: Eurostat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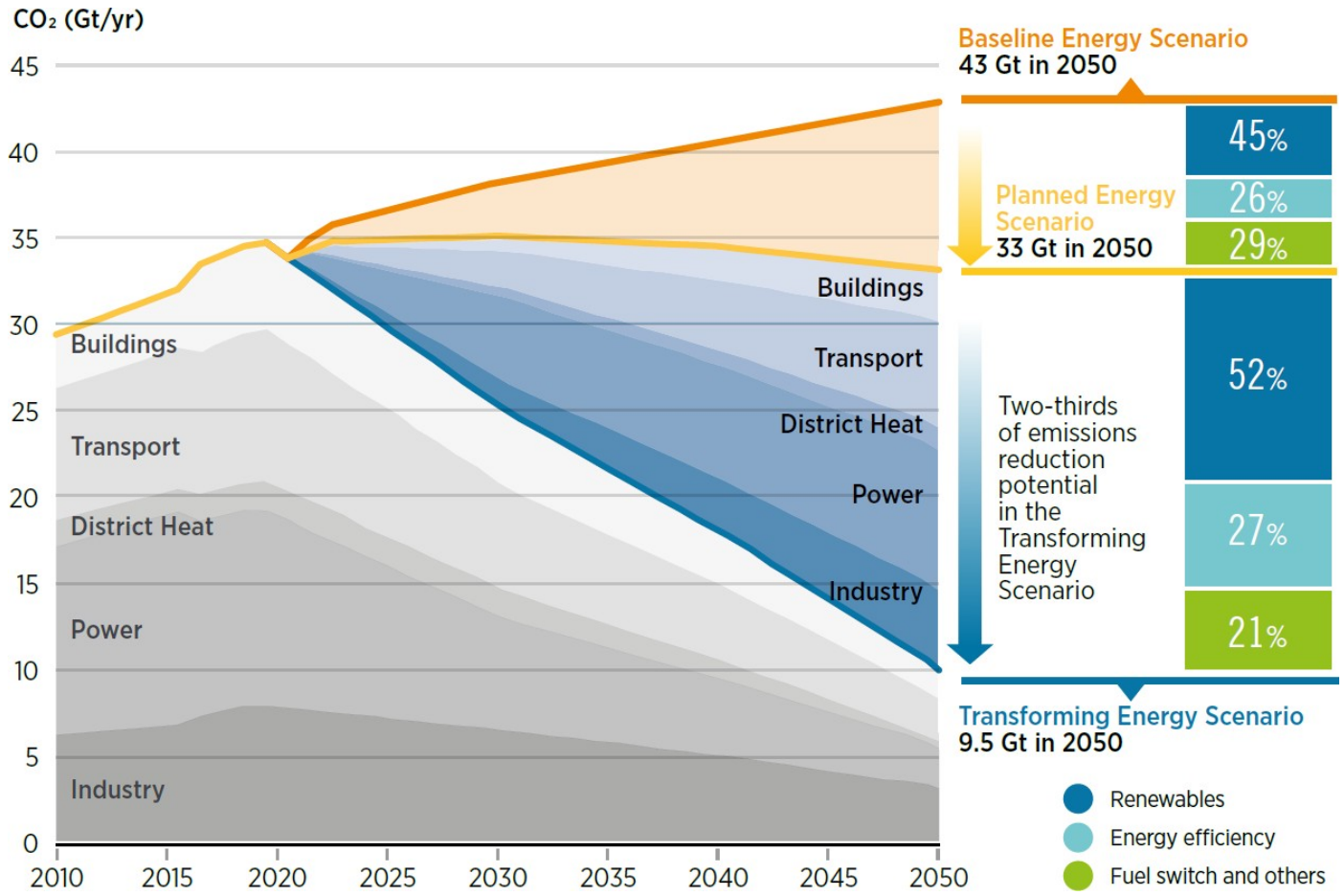
# 2015: COP 21 PARIS AGREEMENT


"The draft agreement is differentiated, fair, sustainable, dynamic, **balanced and legally binding.**"

Laurent Fabius, President of COP21

New international climate agreement, applicable to all countries, **aiming to keep global warming below 2°C**, in accordance with the recommendations of the **Intergovernmental Panel on Climate Change (IPCC)**

# To reach the 2 °C pathway, global energy-related GHG emissions must be reduced by 70% by 2050




**Source**: IRENA GLOBAL RENEWABLES OUTLOOK 2050 ENERGY TRANSFORMATION EDITION: 2020

Note: the picture includes only CO2 emission, does not include other GHG gases

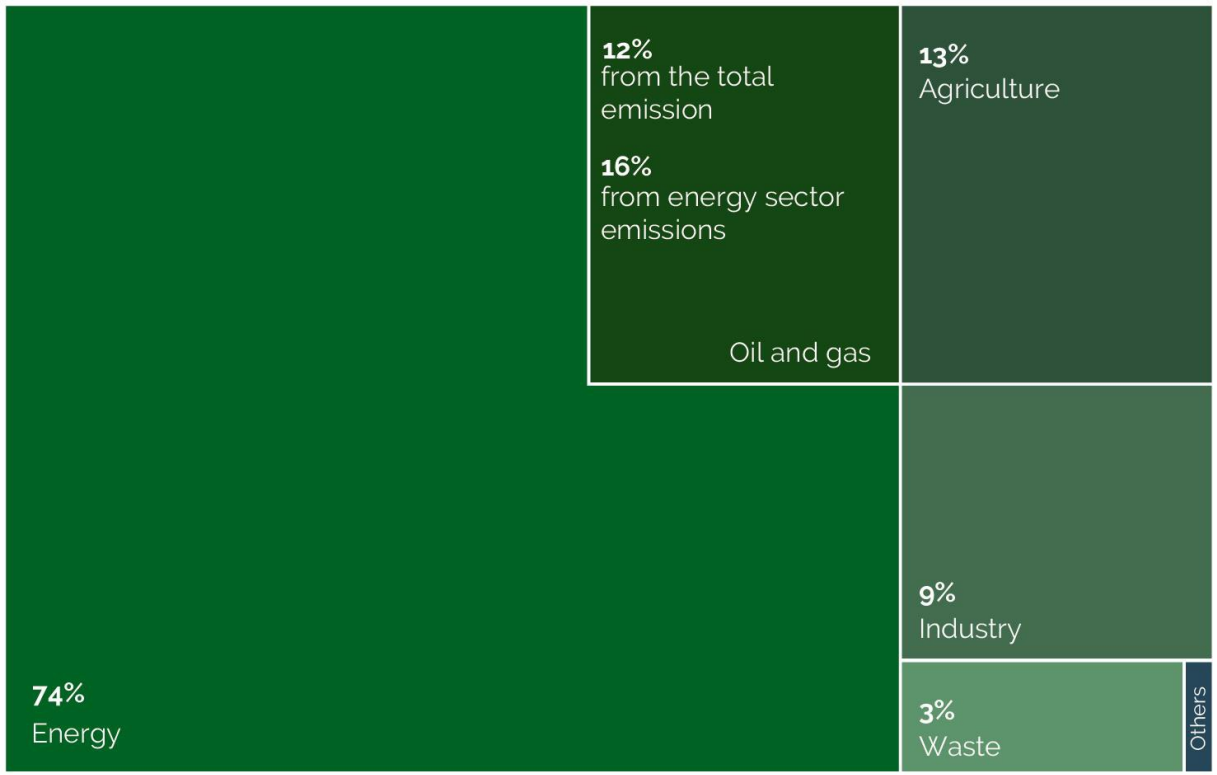
# O&G sector emissions

**12%** of global GHG emissions come from O&G

O&G GHG emissions are comparable to the agriculture sector's and higher than the industrial sector's

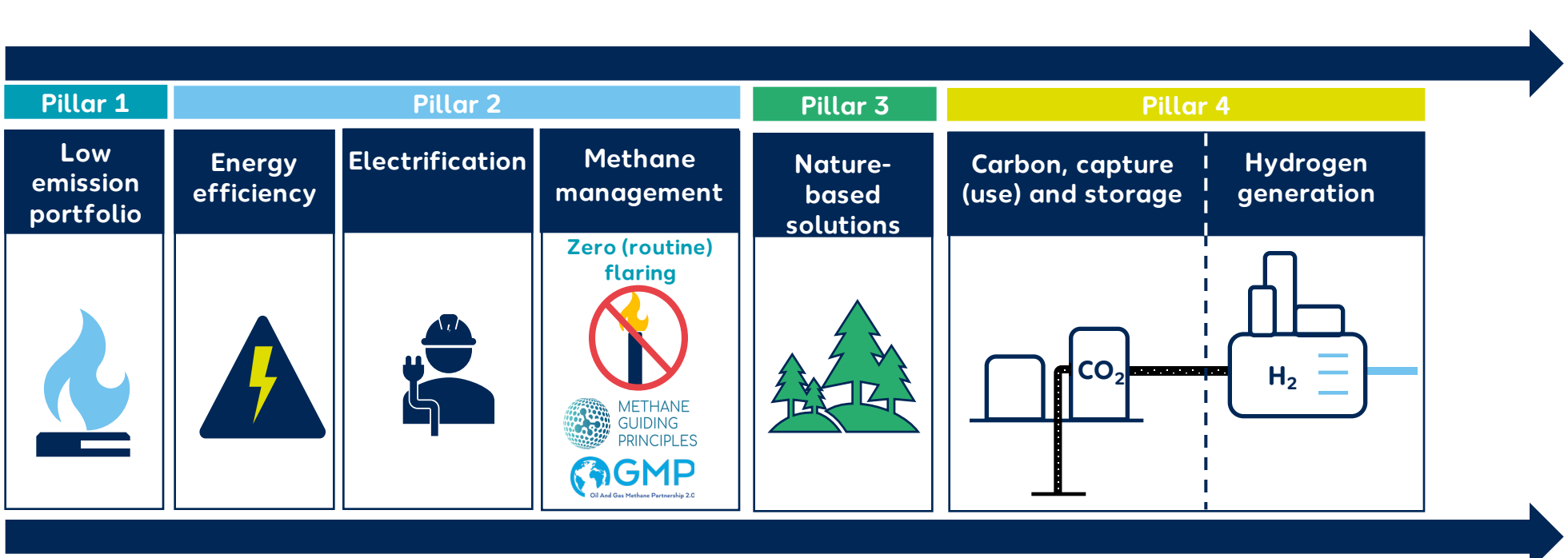
**60%** of total O&G GHG emissions come from the oil industry

**40%** of total O&G GHG emissions come from the gas industry




**Source:** Gütschow, J.; Jeffery, L.; Gieseke, R., Günther, A. (2019): The PRIMAP-hist national historical emissions time series (1850-2017). v2.1. GFZ Data Services. https://doi.org/10.5880/pik.2019.018, IEA WEO 2018, Paris 2018.

# LET'S BE PART OF THE SOLUTION

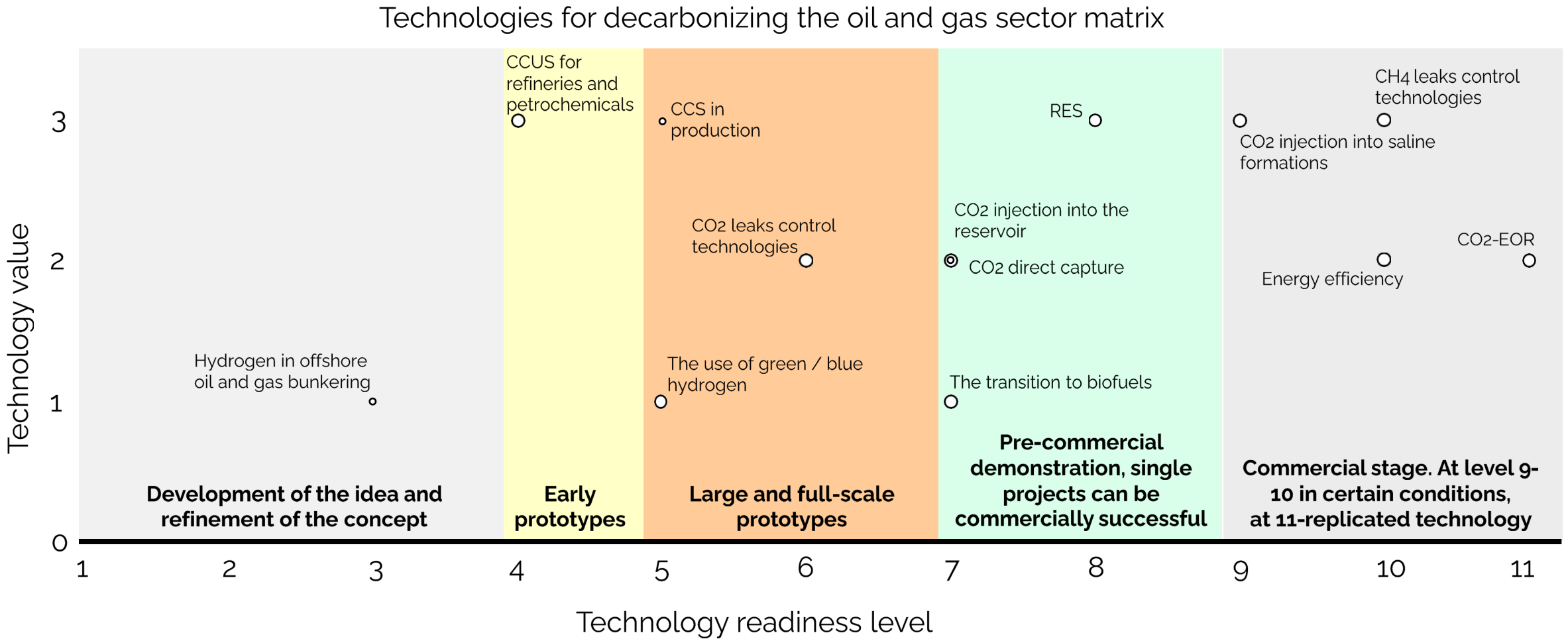



**Net zero** activities

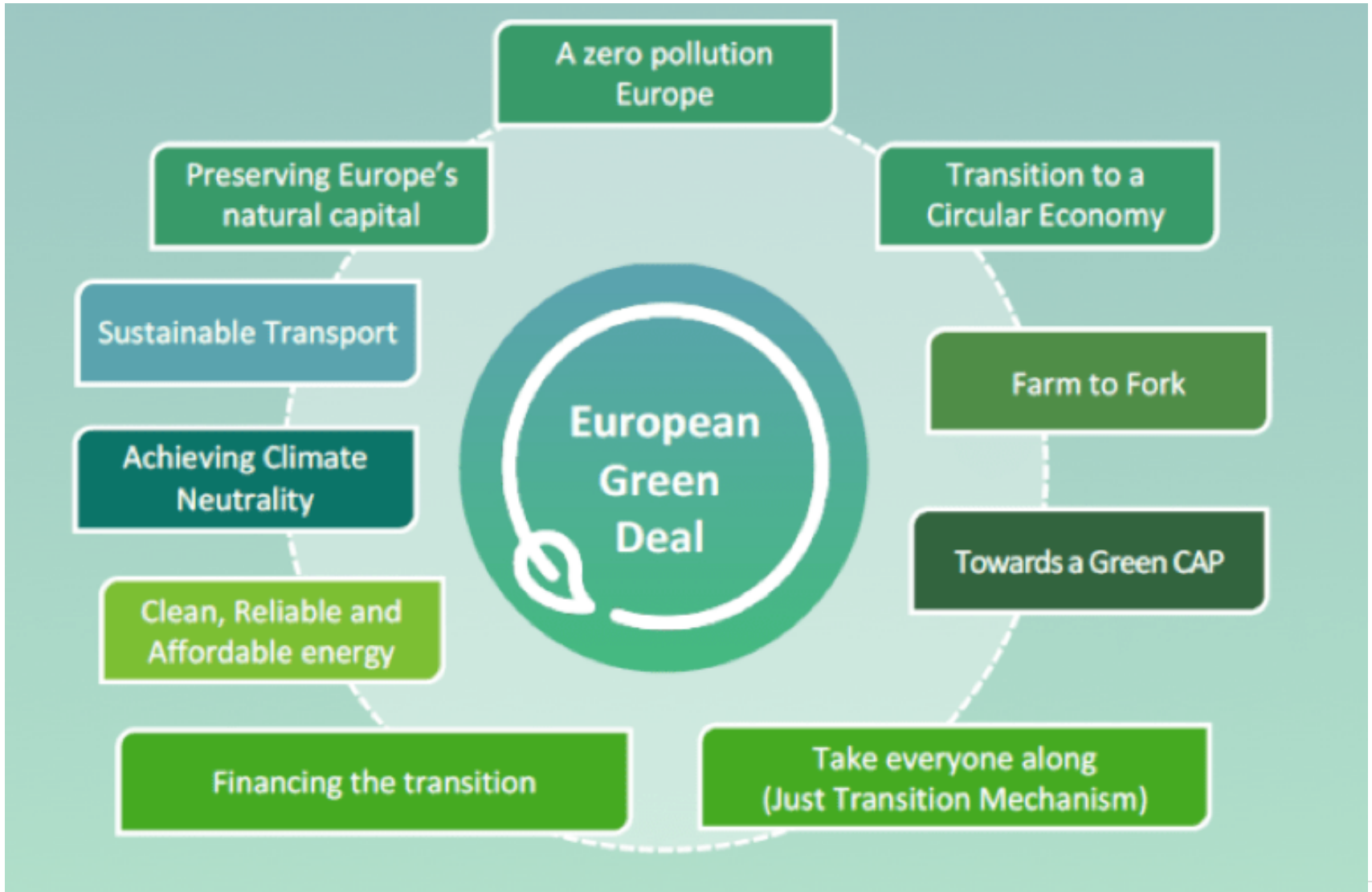
Reducing scope 1 and scope 2 greenhouse gas emissions of our upstream activities at equity basis.

Building the bridge until new technologies can be applied

# Operational decarbonisation methods (energy efficiency, CH4) - the most mature technologies




**Source:** SKOLKOVO Energy Centre




## Institutions involved

- European Parliament
- European Commission (EC)
- European Council
- EU Member State governments
- EC Climate Change Committee

## Planning and implementation activity

- Developing Strategies and Plans
- Developing and Implementing
- Policies and Measures

**Costs**
**1,5–2%** BIP / year

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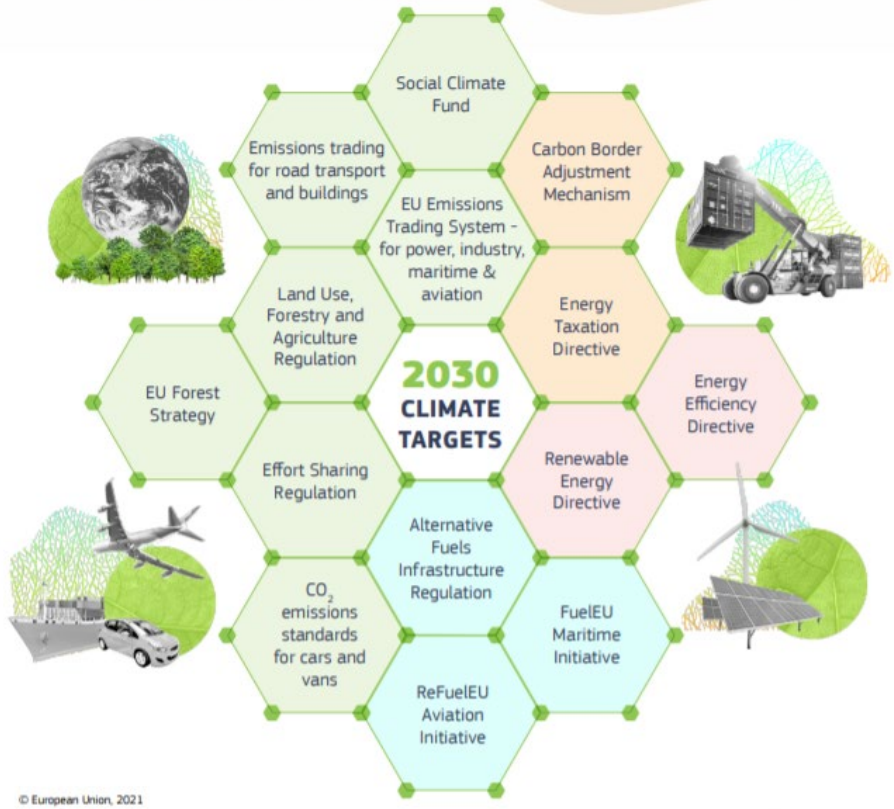
July 2021

# DELIVERING THE EUROPEAN GREEN DEAL

## THE DECISIVE DECADE

The EU will **reduce its net greenhouse gas emissions by at least 55% by 2030**, compared to 1990 levels, as agreed in the EU Climate Law. On 14 July 2021, the Commission presented proposals to deliver these targets and make the European Green Deal a reality.






Print ISBN 978-92-76-39609-3 doi:10.2775/036611 NA-0
PDF ISBN 978-92-76-39583-6 doi:10.2775/352471 NA-0

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European Commission

14 July 2021

# CARBON BORDER ADJUSTMENT MECHANISM

As the EU raises its own climate ambition, but less stringent environmental and climate policies prevail in non-EU countries, there is a strong risk of so-called 'carbon leakage', which can shift emissions outside of Europe and seriously undermine EU and global climate efforts.

That's why the EU needs a new – green - mechanism for imports of goods from outside the EU: a system that puts a fair price on the carbon emitted during production, and that encourages cleaner industry in non-EU countries.

**Carbon leakage** occurs when industries transfer polluting production to other countries with less stringent climate policies, or when EU products are replaced by more carbon-intensive imports.

**In its first phase, the CBAM will focus on goods most at risk of carbon leakage:**


CEMENT IRON & STEEL ALUMINIUM FERTILISER ELECTRICITY

## HOW WILL THE PROPOSED CBAM WORK?

Under the Commission's proposal, the CBAM will first be introduced in a transitional phase until the end of 2025.

### Once fully in place as of 2026, it will work as follows:

EU importers of goods covered by the CBAM register with national authorities where they can also buy CBAM certificates. The price of the certificates will be calculated depending on the weekly average auction price of EU ETS allowances expressed in € / tonne of CO2 emitted.

The EU importer must declare by 31 May each year the quantity of goods and the embedded emissions in those goods imported into the EU in the preceding year. At the same time, the importer surrenders the number of CBAM certificates that corresponds to the amount of greenhouse gas emissions embedded in the products.

If importers can prove, based on verified information from third country producers, that a carbon price has already been paid during the production of the imported goods, the corresponding amount can be deducted from their final bill.

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European Commission

July 2021

# THE ROLE OF HYDROGEN IN MEETING OUR 2030 CLIMATE AND ENERGY TARGETS

The use of innovative energy carriers such as **hydrogen, particularly coming from renewable electricity, will play a key role in the European Green Deal**. Hydrogen can be used as a fuel, an energy carrier or a feedstock, and could reduce emissions in hard-to-abate sectors, **particularly in industry and transport**.

The EU Hydrogen Strategy looks to harness the **tremendous business opportunities** associated with the production of decarbonised hydrogen. Global interest will mean new opportunities for EU companies, which are being **stimulated with the proposals adopted by the Commission today**.

## 2030 TARGETS

**40GW** of renewable hydrogen electrolysers in the EU

**10 million tonnes** of renewable hydrogen produced in the EU

## REVISED RENEWABLE ENERGY DIRECTIVE

The revised Renewable Energy Directive promotes the use of renewable hydrogen:

- Extending the **EU-wide certification system** for renewable fuels to include hydrogen
- Decarbonising industry and heavy-duty and long-distance transport, with concrete targets

TRANSPORT

**2.6%**

for renewable fuels of non-biological origin

INDUSTRY

**50%**

renewable share in hydrogen consumption

## $CO_2$ STANDARDS FOR CARS AND VANS

The $CO_2$ standards for cars and vans set technology neutral targets to reduce emissions by 2030 and by 2035. Hydrogen can be part of the solution, **in particular for heavy-duty vehicles**, if the industry chooses to invest in this technology.

## ALTERNATIVE FUEL INFRASTRUCTURE REGULATION

The Alternative Fuel Infrastructure regulation will also support the deployment of alternative fuels infrastructure, including refuelling points for hydrogen.

**One refuelling station will be available every 150 km** along the TEN-T core network and in every urban node.

## FUELEU MARITIME PROPOSAL

The FuelEU Maritime proposal covers all renewable and low-carbon fuels in maritime transport, including decarbonised hydrogen and decarbonised hydrogen-derived fuels (including methanol and ammonia).

## EU EMISSIONS TRADING SYSTEM PROPOSAL

The EU ETS proposal will include the production of hydrogen with electrolysers under the EU emissions trading scheme, making renewable and low-carbon facilities eligible for free allowances.

## ENERGY TAXATION DIRECTIVE

The Energy Taxation Directive sets preferential tax rates for the use of renewable and low-carbon hydrogen for end-consumers.

The policy framework for hydrogen will be completed in December. The Commission will put forward proposals for hydrogen and the decarbonisation of gas markets, to set the regulatory approach for these sectors.



Print: ISBN 978-92-76-40415-6 doi:10.2775/651191 MA-09-21-291-EN-C
PDF: ISBN 978-92-76-40860-7 doi:10.2775/3833 MA-09-21-291-EN-N

# European border carbon taxes will radically change competition in many markets... and require decisive action from Russian companies

- BCG estimates that the introduction of $CO_2$ taxes **will reduce the competitiveness of Russian oil compared to Middle Eastern oil**, and make Ukrainian and Chinese steel less competitive.
- KPMG experts presented three scenarios for the introduction of a European climate tax for goods supplied from Russia. Under the basic option, Russian exporters will pay **€33.3 billion between 2025 and 2030**.

**-65%** ↓

Reduced profitability of mechanical and chemical pulp

**-40%** ↓

Reduced profitability of rolled steel products

**-20%** ↓

Reduced profitability of crude oil supplies to the EU

# CBAM & ETS / EU & RUSSIA CASES

## European Union

- **June 2021: Carbon Boarder Adjustment Mechanism expected as part of the "Fit for 55 package"**
- **2023:** Introduction planned

**Key questions under discussion:**

a) **Design options**: boarder tax, notional ETS

b) **Use of CBAM revenues**: For low carbon innovation? For EU-Budget?

c) **How to treat current free allowances**?

d) **Which sector to start with**?

e) **How will design options affect WTO compatibility**?



## Russian Federation

**2050 Socio-economic development strategy with low level of GHG emissions** is currently being drafted (**Стратегия социально-экономического развития с низким уровнем выбросов парниковых газов до 2050 года)**

**2021:** Laws adopted / under discussion — **«On GHG emissions reduction»** and

«**On experiment of special regulatory regime of emission regulation and absorbtion on Sakhalin»: ETS** is being created in one concrete region of Russia

«Об ограничении выбросов ПГ» и «О проведении эксперимента по установлению специального регулирования выбросов и поглощения парниковых газов в Сахалинской области»

**ETS in Russia – if implemented country-wide — could minimize the effect of CBAM as planned by the EU**

# RUSSIAN ENERGY TRANSITION CONCEPT

Russian Prime Minister Mikhail Mishustin: "The global economy is focused on **a gradual transition to low-carbon energy**. And this is already a new reality. We need to prepare for a phased reduction in the use of traditional fuels - oil, gas, coal. **Improve energy efficiency**. Develop **alternative energy**. Build the **appropriate infrastructure**"

# RUSSIAN ENERGY TRANSITION CONCEPT / KEY ENABLERS

**Andrey Belousov**
First Deputy PM

**Alexander Novak**
Deputy PM

**Pavel Sorokin**
Deputy Energy Minister

**Anton Siluanov**
Finance Minister

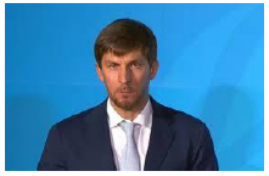
**Alexei Sazanov**
Deputy Finance Minister

**Maksim Reshetnikov**
Economy Minister

**Ilya Torosov**
Deputy Economy Minister

## Specific responsibility for climate issues within the government

**Anatoly Chubais**
President's special representative for liaison with international organisations on sustainable development



**Ruslan Edelgeriev**
Adviser to the President on climate issues

## Russian state-controlled institutions that are expected to take charge of climate projects (financing/international partnerships)

**Igor Shuvalov**
Chairman of Vnesheconombank

**Kirill Dmitriev**
CEO of Russian Direct Investment Fund

**German Gref**
CEO of Sberbank

## "Industrial lobby"

**Alexander Shokhin**
President of the Russian Union of Industrialists and Entrepreneurs

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# RUSSIAN ENERGY TRANSITION CONCEPT

Preparation of **a consolidated action plan** to adapt the Russian economy to the global energy transition launched in Summer of 2021

**Five directions** of the program to facilitate the energy transition:

1. Accelerate **the technological modernization** of the sectors of the economy, including introduction/use of best available technologies
2. Achieve **international recognition** of measures based on technological and natural advantages, including **absorbing capacity of Russian forests and ecosystems**
3. Introduce **a system of tax incentives** for those who switch to green technologies and reduce emissions
4. Expanding the use of **new and disruptive technologies**. This area includes, among other things, **hydrogen and CCS, nuclear and hydropower.**
5. Use the specifics features of Russian regions to **create advantages and get preferences in international trade** system

**2030 and 2050** as particular milestones target and to cross reference current plans to Russia's new long-term strategy in the energy transition path. The working groups need to come with a view on "degree of decarbonization" for specific Russian industries **by December 2021**, while PM Mishustin is planning to review **Russia's adaptation strategy in early 2022**

# RUSSIAN E&P INDUSTRY: TARGETS AND POSITIONS IN ENERGY TRANSITION PATH

Published decarbonization strategy key milestones and targets

Agreements with international players in the decarbonization area

Publication of sustainable development scenarios

% of investment budget spent on climate initiatives

Hydrogen / CCUS

CNG/NGV vehicles

Renewable generation, % of own power production

Reforestation initiatives

EVs

Wind power

Hydro power

Solar power





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# HYDROGEN – THE WORD OF THE YEAR 2020?




ПРАВИТЕЛЬСТВО РОССИЙСКОЙ ФЕДЕРАЦИИ

РАСПОРЯЖЕНИЕ

от 12 октября 2020 г. № 2634-р

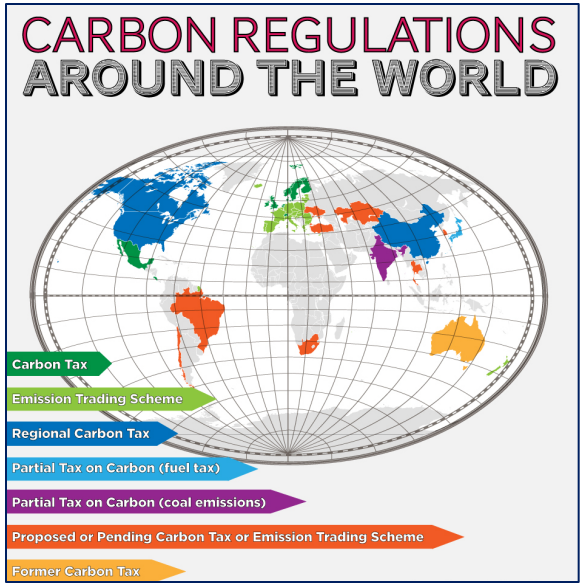
МОСКВА

1. Утвердить прилагаемый план мероприятий "Развитие водородной энергетики в Российской Федерации до 2024 года" (далее - план).

2. Федеральным органам исполнительной власти, ответственным за реализацию плана, обеспечить его реализацию.

3. Минэнерго России осуществлять мониторинг и контроль реализации плана и ежегодно, до 30 марта, представлять в Правительство Российской Федерации информацию о ходе его реализации.

Председатель Правительства Российской Федерации М.Мишустин


Hydrogen
for Climate Action

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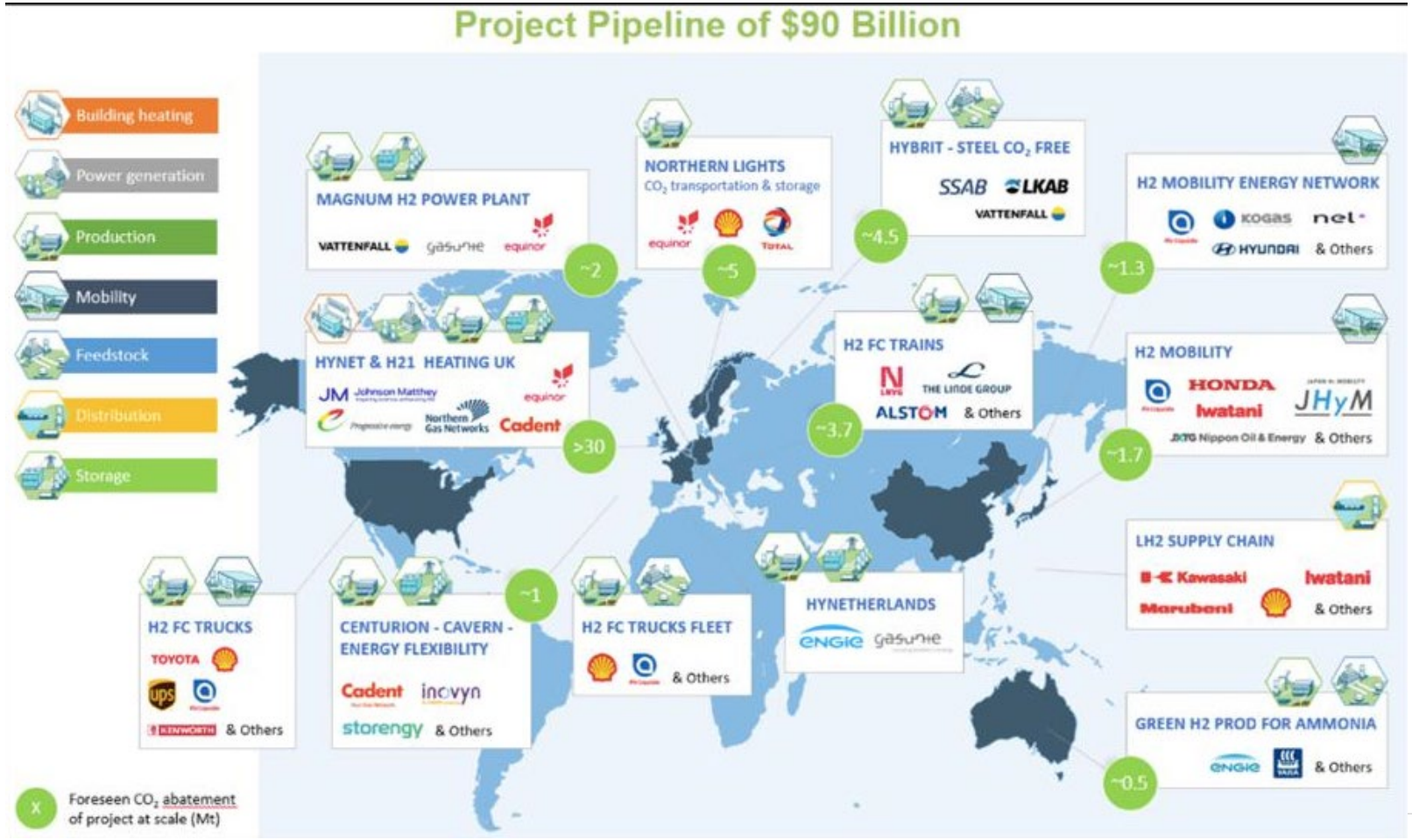
# H2 MARKET POTENTIAL AND INTERNATIONAL COOPERATION




## International Arctic Station «Snowflake», Yamal-Nenets District

**AHEAD - «Arctic Hydrogen Energy Applications and Demonstrations»**

Establishing and opening during the Russian Chairmanship of the Arctic Council in 2021–2023
**International Arctic Station «Snowflake»**
as research and educational platform for engineers and new technologies developers in the Arctic

## Sakhalin Hydrogen Cluster

# GERMAN-RUSSIAN AHK INITIATIVE GROUP ON H2

**Targets**:

- **Establishing contacts** between Russian and German stakeholders
- Initiating joint Russian-German **pilot projects on hydrogen**, as well as sientific-technical cooperation
- **Synergy** with other German-Russian initiatives on H2 cooperation
- Joint **H2 lobbying** initiatiatives and activities in the interest of H2 cooperation
- Searching and finding **funding opportunities** for joint pilot projects

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# THANK YOU!
# QUESTIONS?