What Makes a Natural Gas Marketplace Work?

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Natural Gas Workshop Concepts
and Overview

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Value Chain
UPSTREAM
Exploration and Production (E&P)

MIDSTREAM
Processing
Storage
Pipeline Transportation
LNG
Liquefaction
Shipping
Re-gasification

DOWNSTREAM
Distribution and End Use
Residential
Commercial
Industrial
Power
Generation
Transmission
Distribution to End Use

“Field to Market”

Framework Issues

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<th>Benefits of Competitive Supply</th>
<th>E&amp;P, LNG Supply</th>
<th>Competitive ROR decision based on expected prices; monetize stranded reserves</th>
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Plus Ça Change, Plus C'est la Même Chose?

Figure 14. World Primary Energy Consumption by Energy Source, 1970-2025


Source: 2004 International Energy Outlook, EIA

Global Gas Investment

IEA, Global Investment Outlook, 2003
Smart Development Issues

Value Chain

- **Production**
  - Access for private investment
  - Rights of way and lands ownership
  - Environmental impacts
  - Transparency
  - Allocation of economic rents and revenue management
  - Local content
  - Community relations and community benefits

- **Transport**

- **Distribution**
  - Access for private investment
  - Environmental impacts
  - Transparency
  - Allocation of economic rents and revenue management

- **Conversion**
  - Consumer interface
    - Access to service, reliability, quality of service
    - Subsidy and system loss issues and pricing for core customers

- **End Use**

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