

PRESS RELEASE

Norway contributes to global energy security, while seeking to decarbonise its energy supply

OSLO, May 30, 2017 – Norway manages its significant hydrocarbon resources and revenues in a sustainable way, and remains a reliable supplier of oil and gas, but Norway's government should prepare for a future with lower oil and gas revenues.

The recommendations were made in the International Energy Agency's latest assessment of Norway's energy policies.

"As one of the world's largest energy exporters, Norway plays a leading role in advancing global energy security," said IEA Deputy Executive Director Paul Simons, speaking at the launch of the report. "At the same time, Norway is fully committed to environmental sustainability."

Norway's remaining oil and gas resources are considerable. Only a third of the country's estimated discovered and undiscovered gas resources, and half of its oil resources, have been produced. While reducing the global economy's carbon emissions remains a priority worldwide, the IEA expects that substantial volumes of oil and gas will still be needed for years to come. As such, the report welcomes the government's efforts to encourage increases in Norway's production. The IEA's analysis also recognizes that the government takes into account environmental considerations in managing its oil and gas resources.

The report also highlights Norway's large hydropower generation as another valuable energy asset particularly at a time when European electricity markets are integrating and variable renewable energy generation is growing. More cross-border connections are coming online and will help realise the full potential of hydropower for balancing variations in demand and supply in the regional market. They will also improve electricity security in Norway in times of low hydropower availability.

The IEA report looks at how market-based investments in low-carbon generating capacity can be boosted by improvements in taxation and subsidy systems. Norway and the other governments in the Nordic electricity market area should co-ordinate and harmonize their renewable energy incentives and policies to avoid creating oversupply of electricity. They should also identify best practices for taxation to avoid unnecessarily reducing the competitiveness of market-based low-carbon generation.

Norway has set ambitious targets to reduce greenhouse gas emissions by 2030 and 2050, and the IEA encourages the government to spell out how these targets will be met. International carbon credits can only provide a partial solution, and Norway should step up efforts at home. Transport is the key sector for energy-related emissions and it requires more attention, beyond the expansion of electric vehicles. Also, oil and gas production and manufacturing have major potential. In this context, a high level of public spending on energy RD&D and strong efforts to develop carbon capture and storage are very welcome.

FOR MORE INFORMATION: Please contact the IEA press office at press@iea.org or visit www.iea.org.

About the IEA: *The International Energy Agency, the global energy authority, was founded in 1974 to help its member countries co-ordinate a collective response to major oil supply disruptions. Its mission has evolved and rests today on three main pillars: working to ensure global energy security; expanding energy cooperation and dialogue around the world; and promoting an environmentally sustainable energy future.*