



AEC Energy Working Group: Mandate

Introduction

The Arctic Economic Council (AEC) aims to facilitate business activities and responsible resource development throughout the circumpolar Arctic. The AEC will do this through the sharing of best practices, technological solutions, standards, and other information.

The overarching themes in the work of the AEC include:

- Fostering strong market connections within the Arctic as a vital part of international value chains;
- Encouraging public-private partnerships for infrastructure investments;
- Promoting stable and predictable regulatory frameworks;
- Facilitating knowledge and data exchange between industry and academia; and,
- Embracing traditional indigenous knowledge, stewardship and small businesses.

Background

The Arctic is a vast region of diverse nature, physical environment and cultures. Access to energy is critical for Arctic inhabitants and energy resources can present positive opportunities for business development provided this is done with due regard to traditional and indigenous lifestyles and sustainability.

International concern about global warming in the Arctic has resulted in increasingly negative stakeholder opinions of Arctic resource development. Science based discussions around Arctic opportunities compete against popular media opinions, potentially risking that responsible Arctic investment is being unduly influenced by the views of those living outside the region.

The AEC recognizes that many people live and work in the Arctic, and that industry has been present across the regions for decades. The physical environment has driven solutions for energy efficiency and high operating standards. AEC therefore believes that business activity to utilize resources in the region should be viewed in terms of local benefit and sustainable practices and recognized as complementary to global resources.



Proposal

An AEC Energy Working Group (EWG) is proposed to address “Energy Resources in the Arctic” (provisional title).

The objective of the EWG is to provide simple, balanced information to key stakeholders regarding the context, opportunities and challenges for use of Arctic energy resources.

Scope of Work

The EWG will give perspectives on future global energy needs, the availability of resources in the Arctic, and the opportunities and challenges associated with use of these resources.

The EWG mandate is designed to draw on with the work of the Arctic Council Sustainable Energy Development Group (SDWG) “Arctic Renewable Energy Atlas” (AREA) project. The AREA Phase II project is currently mapping renewable energy resources and is willing to incorporate maps of other energy resources from the AEC EWG. Whilst the AREA project and EWG will share resource data and findings on energy best practices, they will develop separate project deliverables. This cooperation is beneficial to building relations with the Arctic Council, reducing the cost of work to AEC and to increasing the reach of the AEC deliverable.

The mandate covers the below work packages (WP). The results of Phase I can be reported by AEC to the Arctic Council ministerial 2019. The scope of work in Phase II is subject to level of interest and committed project resources from AEC members and stakeholders.

PHASE I

WP1: Perspectives of future energy needs

This activity will benchmark a number of recognized, leading energy projections and will give insight into potential consensus expert views and areas of disparate scenarios.

WP2: Mapping of Arctic energy resources to Arctic Portal

The Arctic Council SDWG AREA Phase II project will continue work on mapping of Arctic renewable energy resources (wind, solar, hydro). Data from the AREA project will be delivered to Arctic Portal to develop digital resource maps.

The EWG will map additional Arctic energy resources as agreed at project start-up. The scope will include oil & gas, and other aspects will be considered as far as AEC members will support and execute the work, e.g. mined minerals for



batteries, nuclear. Data from the EWG project will be delivered to Arctic Portal to be included into AREA Phase II project digital resource maps. Arctic Portal will then manage and maintain the standardized set of data maps for public use.

PHASE II

WP3: Challenges and opportunities for energy utilization

The EWG will produce a summary of challenges associated with development or utilization of each type of Arctic Energy Resources. The aim of the summary will be to give perspective in policy discussions regarding the viability and impact of realizing energy from these resources.

WP4: Highlighted best practices for Arctic Energy

The EWG will identify “showcase” examples of good resource practices in the Arctic. Good practice examples should complement but not overlap good practice work from the SDWG EIA and AREA projects. Good practices should consider input of scientific and traditional knowledge.

The SDWG AREA and EWG will share good practices from their respective projects.

WP5: Booklet development and production

The EWG work will be recorded and presented in a booklet form that will provide a holistic overview of Arctic energy resources as input for stakeholder debate. Use of facts, an open, balanced approach to presentation of results and thorough editorial review are key criteria in order to avoid views of greenwashing.

Deliverable and target audience

The material deliverable is a professionally prepared booklet that addresses Arctic energy activity in a global context. The booklet should not be technically overdetailed and be visually and journalistically engaging for a broad stakeholder audience.

The target audience is policy makers and key influencers including representatives and advisors of EU and member states, Arctic Council working groups, and national environmental and safety authorities. These stakeholders can directly influence Arctic licence to operate but are often affected by lack of information resources as well as influenced by social media.

The desired outcome is that the booklet will become a reference document for policy discussion of different energy resources in the Arctic and will aim to show positive aspects of how Arctic resources and practices can contribute to local inhabitants and at global level, with due reference to the AIP and the UNSDG.



Membership, Timeline and Practicalities

Members

The work of the EWG will be led by Equinor (AEC Norway). The EWG membership will consist of experts nominated by the members of the AEC and potentially also of invited Subject Matter Experts as relevant. All members are expected to be in possession of relevant expertise related to the EWG scope of work.

Timeline

The work plan and timetable will be set by the Chair of the Energy WG prior to the start of the work. Work is planned to commence Q3/2018 and the results of Phase I can be reported to the Arctic Council meeting Q2/2019. The timeline and scope of work in Phase II will be subject to level of interest and committed resources from AEC members and stakeholders.

AOB:

The EWG will consider by which means, and to which extent, the findings of the Working Group can be presented to the Arctic Council. While the AEC work products are not subject for revision at the Arctic Council, it is important to consider how the Arctic business community's views can be brought forward to the Arctic Council. This is in line with the AEC goal of providing advice and a business perspective to the work of the Arctic Council.

Budget

Each nominated member will cover his/her own costs for participating in the Working Group and for executing agreed delivery responsibilities. The work will be undertaken with virtual meetings where possible, but travel can be appropriate for some tasks (e.g. liaison with AREA project, information gathering).

Alignment with AEC

The EWG scope of work is expected to contribute across all AEC goals:

- Facilitate responsible business and economic development of the Arctic and its communities
- Share and advocate for best practice, technological solutions, and standards
- Support market accessibility
- Provide advice and a business perspective to the work of the Arctic Council

EWG work is particularly relevant for the overarching theme "promoting stable and predictable regulatory frameworks", but also aims to encompass themes of facilitating knowledge and data exchange and use of traditional indigenous knowledge and stewardship.