



Where Global Energy Connects...

ACTIVITY REPORT 2014-2013

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VISION & MISSION

Istanbul International Center for Energy and Climate (IICEC) is a future-oriented independent research and policy center designed to conduct objective, high-quality economic and policy studies in energy and climate. IICEC efforts will help the development of solutions to a sustainable energy future for the region and the world.

Working with governments, partners from industry, international organizations, think tanks and other research bodies, establishing a network of cooperation with other universities in the region and in the world; IICEC aims to inform policy makers, industry, academics and opinion leaders on key energy challenges and provide them with objective and genuine analysis. We foster the exchange and development of ideas by providing a distinguished platform gathering key stakeholders involved in energy and climate fields.

The decision to form IICEC was motivated by the growing role of Turkey in the international energy landscape and the strategic position of Istanbul, where Europe and Asia meets. The Center, at Sabancı University Karaky Minerva Palace in Istanbul, is located at the crossroads of almost all current and emerging energy players, both on the producing and consuming sides of global energy markets. Utilizing this strategic position, IICEC serves to fill the need for an international approach with international resources to the future of energy and climate topics, as a globally recognized networking center.

IICEC International Energy Forum

IICEC International Energy Forum is a regular annual meeting of leading experts, high-level business and political executives from all over the world; including members of parliaments, ministers and heads of state. IICEC's previous Energy Forum series (Istanbul 2010, 2011, 2012, 2013 and 2014) where the chances and opportunities, challenges and threats, pros and cons of energy security policy as well as energy investment and market restructuring have been discussed- attracted numerous key decision makers and stakeholders from Azerbaijan, China, European Union, Iraq, Kazakhstan, Russia, Saudi Arabia, Turkey, Turkmenistan, United Arab Emirates, United States of America, Japan, Australia and Canada.

FOREWORD



A continuous, safe, economical and environmentally friendly supply of energy is one of the leading requirements for economic and social development, improvements in quality of life, and an increase in welfare. Recent technological and geostrategic changes in the energy business have become critical driving factors in the need to develop effective strategies that will lead to an economical and environmentally friendly way of meeting the world's energy requirements, and the building of a sustainable energy future.

Based on this and inspired by Turkey's increasing role and importance in the global energy equation, we established the Istanbul International Center for Energy and Climate (IICEC) in a location where not only continents meet, but global energy focuses as well. The leading players in the energy business took part in IICEC, making it into a growing Community and an interactive platform for providing input to decision makers, empowering them to make timely and accurate assessments on issues related to energy and the environment. IICEC will continue to grow in the future, becoming a "Polar Star" that will lead energy into the future with high-quality, objective research and policy recommendations.

We held IICEC 4th International Energy Forum on May 10, 2013, with the participation of the President of the Republic of Turkey, Abdullah Gül; Minister of Energy and Natural Resources of the Republic of Turkey, Taner Yıldız; Minister of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia, Ali Al-Naimi, and a number of distinguished speakers from the energy industry and international organizations, who direct their respective regional and global strategies with their ideas.

IICEC 5th International Energy Forum on June 13, 2014, with the participation of the Minister of Energy and Natural Resources of the Republic of Turkey, Taner Yıldız; Minister of the Environment of Republic of Poland, Maciej H. Graboswski, and other distinguished speakers from around the world, was also a huge success in the development of policy recommendations on energy and climate.

I am confident that the visionary perspectives laid out at IICEC 4th and IICEC 5th International Energy Forums, where the most important technical, economic and geostrategic changes and Turkey's developing role in this context were extensively discussed, will make significant contributions to the efforts of decision makers, investors and researchers in the field of energy.

Güler Sabancı

Chairman of the Board of Trustees
Sabancı University

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“WORLD ENERGY OUTLOOK 2014” TURKEY PRESENTATION

22 December 2014, Sabancı Center, Istanbul

Sabancı University International Center for Energy and Climate (IICEC) in cooperation with TÜSİAD organized “World Energy Outlook 2014” Turkey Presentation at Sabancı Center. International Energy Agency (IEA) Chief Economist **Dr. Fatih BİROL** presented the report. The introductory remarks were made by TÜSİAD President of the Board of Directors **Haluk DİNÇER** and Minister of Energy and Natural Resources **Taner YILDIZ**.

In his opening speech, Haluk DİNÇER stated that important developments take place especially in neighboring regions, and they are also influential on the global energy market. DİNÇER said, “The ongoing developments between Russia and Ukraine, and the observed political surge in Middle East have reached to alarming degrees. By the year 2014, the weak recovery trend in the global economy is shaded by a number of geopolitical risks. Moreover, the increase in those geopolitical risks, which have effects on a global scale, is not a possibility to be underestimated. Entering the year 2015, on the one hand, we are in need of anticipating the best methods to manage these current geopolitical risks. On the other hand, we are faced with the management problem of growth rates, which show a systematic decline both in the developed and developing-country groups. Against such a backdrop, the market trends especially in energy sector turn this year as well as next year into a particularly critical period.”

Minister of Energy and Natural Resources Taner YILDIZ indicated that the energy sector will grow together with the private sector, and emphasized that the demands and concerns of the private sector in this regard will be evaluated.

The presentation by Dr. Fatih BİROL covered in detail the World Energy Outlook 2014 findings and projections regarding the recent developments in the regions of production, energy resources that will provide for main consumption centers, energy efficiency potential, the UN Climate Change Conference which will be held in Paris in 2015, and other significant issues that will set the agenda for global energy markets.

Dr. BİROL stated, “The Intergovernmental Panel on Climate Change estimates that in order to limit the temperature increase to 2°C – the internationally agreed goal to avert the most severe and



widespread implications of climate change – the world cannot emit more than 1000 gigatonnes of CO₂ from 2014 onwards. This entire budget will be used up by 2040 in our central scenario. Since emissions are not going to drop suddenly to zero once this point is reached, it is clear that the 2°C objective requires urgent action to steer the energy system on to a safer path.” Dr. BİROL also remarked that unless a binding international agreement is made during the Climate Change Conference in Paris, the global warming will reach beyond the expected 2°C objective. The presentation was followed by an extensive Q & A session.

After the conference, the meeting of IICEC Board of Directors took place with the participation of **Mehmet GÖÇMEN**, EnerjiSA; **Adil TEKİN**, ALSTOM Turkey; **Ahmet Ümit DANIŞMAN**, Akenerji; **Ahmet EREN**, Eren Holding; **Ahmet ERDEM**, SHELL Turkey; **Canan ÖZSOY**, GE Turkey; **Ali YILDIZEL**, Genel Energy; **Sinan BUBİK**, Siemens; **Hakan YILDIRIM**, Siemens; **Dr. Fatih BİROL**, IEA; **Prof. Dr. Nihat BERKER**, Sabancı University; **Dr. Mehmet Doğan ÜÇÖK**, IICEC.

About World Energy Outlook

Issued by the International Energy Agency (IEA), the “World Energy Outlook” is the world’s most reputable, talked-about, and sold publication in the energy industry that contains reliable energy market analyses, critical foresight into energy supply and demand trends, and comprehensive reviews of economic developments. Report contains the latest forecasts for the next 20 years, policy developments, and recent analyses supported by the inferences from the past year. “World Energy Outlook” is a reference book for ministers of energy, economy, and environment worldwide, enabling them to make the right investment decisions and accurate plans.



U.S. SECRETARY OF ENERGY ERNEST J. MONIZ'S VISIT TO SABANCI UNIVERSITY - IICEC

21 November 2014, The Seed, Sakip Sabancı Museum, Istanbul

U.S. Secretary of Energy **Ernest J. MONIZ** met with Sabancı University Energy Technologies and Management (ETM) MSc students at Sakip Sabancı Museum on 21 November, 2014. The meeting began with the opening remarks of **Güler SABANCI**, Chairman of the Board of Trustees of Sabancı University, and **Prof. Dr. Nihat BERKER**, President of Sabancı University. IEA Chief Economist and IICEC International Steering Committee Honorary Chairman **Dr. Fatih BİROL** also attended the meeting. Secretary Dr. MONIZ gave a speech on Energy Security and Climate Change, and stated that energy security needs to be addressed collectively in consultation with allies. Secretary Dr. Moniz also remarked that significant ground was covered regarding alternative energy solutions, and discussed the importance of technological developments on this matter. Energy Counselor to the Secretary, **Melanie KENDERDINE** also took the floor to expand on energy security and climate change issues in relation to U.S. Energy Policy. The lecture was followed by a Q&A session with the ETM students, and the meeting continued with a special luncheon during which the students had a warm conversation with the Secretary Dr. MONIZ.



WORLD ENERGY OUTLOOK 2014 - AFRICA SPECIAL REPORT TURKEY PRESENTATION

20 October 2014, Sabancı Center, Istanbul



Sabancı University International Center for Energy and Climate (IICEC) in cooperation with APCO Worldwide organized "World Energy Outlook 2014 - Africa Special Report" Turkey Presentation at Sabancı Center. International Energy Agency (IEA) Chief Economist Dr. Fatih BİROL presented the Special Report.

Business representatives, who currently make investments or plan to invest in Africa, academics, and experts interested in the area attended the launch meeting, which discussed in detail the energy sector in Africa and important opportunities regarding energy potential of Africa.





In this first comprehensive analysis of sub-Saharan Africa by IEA, it is reported that the region's energy resources are more than sufficient to meet the needs of its population but are largely under-developed. According to the Report, increasing access to modern forms of energy is crucial to unlocking faster economic and social development in sub-Saharan Africa. The region accounted for almost 30 percent of global oil and gas discoveries made over the last five years, and it is already home to several major energy producers, including Nigeria, South Africa, and Angola. It is also endowed with huge renewable energy resources, including widespread solar and hydro potential, as well as wind and geothermal. However, more than 620 million people in the region (which counts up to two-thirds of the population) live without electricity, and nearly 730 million people rely on dangerous, inefficient forms of cooking. The use of solid biomass (mainly fuelwood and charcoal) outweighs that of all other fuels combined, and average electricity consumption per capita is not enough to power a single 50-watt light bulb continuously.

IEA Chief Economist Dr. Fatih BIROL indicated that economic and social development in sub-Saharan Africa hinges critically on fixing the energy sector, and further stated, "The payoff can be huge; with each additional dollar invested in the power sector the overall economy is boosted by \$15." After the presentation, Dr. BIROL received audience questions. The meeting continued with a luncheon for the special guests of IICEC and APCO Worldwide at Sabancı Center.

IICEC REPORT WORKSHOP WITH IICEC CO-CHAIRS AND MEMBERS' REPRESENTATIVES: "ENERGY IMPORT BILLS IN THE CURRENT ACCOUNT DEFICIT OF TURKEY: WHAT CAN BE DONE?"

26 September 2014, Sabancı University, Minerva Palace, Istanbul

Turkey has a dynamic economy and there is every reason to believe that the next ten years will bring a major expansion of both the economy and of energy used to fuel that growth. This is the very reason for the Istanbul International Center for Energy and Climate (IICEC) to produce the report entitled "Energy Import Bills in the Current Account Deficit of Turkey: What Can Be Done?".

This report is to constitute the first full report by IICEC and will consider the prospective development of the current account deficit to 2023 and the importance of hydrocarbon imports as a contributor to the deficit. Sections of the report will include Turkey's Energy Supply, Demand and Balance of Payment Issues 2013-2023, Natural Gas, Coal & Lignite, Renewables & Nuclear, and Energy Efficiency.

The conclusions are intended to serve as policy recommendations and as pointers towards various options that would enable Turkey to limit the volume, and in some cases the price, of its energy imports and this ameliorate the balance of payments deficit. They will cover the possibilities should policies and/or circumstances change and the consequences if policies do not change. Specific conclusions will be listed in an executive summary.

In this regard, IICEC organized a one-day workshop at Sabancı University Karaköy Minerva Palace to present the report-in progress. The workshop brought together academicians, high-level representatives from IICEC Co-chairs and Members, and started with the welcome address of Prof. Dr. Nihat BERKER, President of Sabancı University. The workshop continued with a presentation by B. Nazım BAYRAKTAR, EMRA Senior Energy Expert. During the discussion session all the participants took the floor to deliver their opinions on the main themes in the report and their respective predictions on energy future of Turkey. The workshop was followed by luncheon at Lokanta Maya, Karaköy.

The representatives from local energy sector were Özlem PALABIYIK, Akenerji Strategic Planning Manager; Özgür ŞİMŞEK, Eren Enerji Deputy General Manager; Kenan ŞİRİN, Siemens Energy Sector Head of Marketing and Business Development; Çağatay CENGİZ, SHELL Commercial Manager, and Bora GÜRAY, EnerjiSA Manager.

IICEC core research group members in the meeting were B. Nazım BAYRAKTAR, EMRA; Prof. Dr. Ahmet EVİN, Sabancı University; Dr. Cenk PALA, EnerjiSA Regulatory Affairs and Business Development Manager; Bora GÜRAY, EnerjiSA Manager; Simone TAGLIAPIETRA, Researcher at Fondazione Eni Enrico Mattei, and Dr. M. Doğan ÜÇÖK, IICEC Coordinator.

On 27 September, 2014, IICEC core research group briefed Dr. Fatih BIROL, IEA Chief Economist & IICEC Honorary Chairman, regarding the developments of the IICEC Report.



IICEC 5TH INTERNATIONAL ENERGY FORUM “GLOBAL ENERGY INVESTMENTS: CHALLENGES AND OPPORTUNITIES”

13 June 2014, Conrad Hotel, Istanbul

Annually organized by Sabancı University Istanbul International Center for Energy and Climate (IICEC), and hosted by Sabancı University Board of Trustees Chairman **Güler SABANCI** and IICEC International Steering Committee Honorary Chairman **Dr. Fatih BİROL**, the 5th IICEC International Energy Forum was held at Conrad Hotel Istanbul on June 13, 2014.

The future of the oil, natural gas, and electricity investments in Europe, Turkey, and Middle East was at the center of discussions at 5th IICEC International Energy Forum, which brought together top level representatives of the global energy industry in Istanbul. The developments in the Middle East and their reflections on the global energy markets were among the prioritized topics. The impacts of the political situation in Iraq, Saudi Arabia, and Iran on the oil and natural gas investments as well as global balances have been discussed. Furthermore, the recent great development of the ‘Renewable Energy’ investments and the impact of this case on the future energy investments found wide place in the agenda of the forum.

At the 5th International Energy Forum where the stakeholders of the governments and energy industry from many countries attended, Minister of Energy and Natural Resources of the Republic of Turkey, **Taner YILDIZ** made the opening speech of the conference.



The forum began with the keynote speeches of high level government officials; Minister of Environment of the Republic of Poland, **Maciej H. GRABOWSKI**, Special Advisor of Prime Minister of Japan, **Eiichi HASEGAWA**, and Energy Counselor of the US Secretary, **Melanie KENDERDINE**.



“It is very essential, that we, all the players of the energy sector and especially the regulatory authorities and the policy makers, should be very sensitive as to not to disturb the global confidence by delaying or by not implementing the necessary adjustments in time.” (Güler SABANCI)



Other distinguished speakers of the forum included President of Sabancı University, **Prof. Dr. Nihat BERKER**; Shell Vice Chairman, **Brian DAVIS**; BP Vice Chairman, **Dev SANYAL**; International Finance Corporation World Bank Vice President, **Dimitris TSITSIGAROS**; Ambassador of Australia to Turkey, **James LARSEN**; Ambassador of Canada to Turkey, **John HOLMES**; USA former Senator, **Phil GRAMM**; International Energy Agency (IEA) Chief Economist **Dr. Fatih BİROL**; GDF SUEZ CEO **Gérard MESTRALLET**; Siemens AG CEO **Joe KAESER**; E.ON SE CEO **Dr. Johannes TEYSSEN**; Energy Counselor of the Secretary **Melanie KENDERDINE**; Director of Swiss Federal Office for Energy **Dr. Walter STEINMANN**; Sabancı Holding Energy Group President, **Selahattin HAKMAN**; ALSTOM Turkey President **Adil TEKİN**; Akenerji General Manager, **Ahmet Ümit DANIŞMAN**; GE Turkey President and CEO **Canan ÖZSOY**; Genel Energy President **Mehmet SEPİL**; RWE Turkey CEO **Dr. Ralph JÄGER**, and Zorlu Energy Group General Manager, **Sinan AK**.



In His Excellency’s message to the conference, the President Abdullah GÜL said, “It is expected that the energy demand of Turkey will double by 2023. The multi-dimensional energy strategy of Turkey foresees the diversification of the energy resources and routes, supporting the local, renewable and nuclear energy resources, and the energy efficiency should also be significantly considered.”



IICEC 5TH INTERNATIONAL ENERGY FORUM “GLOBAL ENERGY INVESTMENTS: CHALLENGES AND OPPORTUNITIES”

I. Panel: Oil & Gas Investment Outlook

Moderator:

Prof. Dr. Nihat BERKER, President of Sabancı University

Participants:

Brian DAVIS, Shell Vice Chairman

Dev SANYAL, BP Vice Chairman

Dimitris TSITSIGAROS, International Finance Corporation
World Bank Vice President

HE James LARSEN, Ambassador of Australia to Turkey

HE John HOLMES, Ambassador of Canada to Turkey

Phil GRAMM, USA former Senator



II. Panel: Power Sector Investment Outlook

Moderator:

Dr. Fatih BİROL, Chief Economist, International Energy Agency (IEA)

Participants:

Gérard MESTRALLET, GDF SUEZ CEO

Joe KAESER, Siemens AG CEO

Dr. Johannes TEYSSEN, E.ON SE CEO

Melanie KENDERDINE, Energy Counselor of the Secretary

Dr. Walter STEINMANN, Director of Swiss Federal Office for Energy



III. Panel: Turkish Energy Investment Outlook

Moderator:

Selahattin HAKMAN, Sabancı Holding Energy Group President

Participants:

Adil TEKİN, ALSTOM Turkey President

Ahmet Ümit DANIŞMAN, Akenerji General Manager

Canan ÖZSOY, GE Turkey President and CEO

Mehmet SEPİL, Genel Energy President

Dr. Ralph JÄGER, RWE Turkey CEO

Sinan AK, Zorlu Energy Group General Manager



IICEC ENERGY FORUM LUNCHEON 2014

13 June 2014, Conrad Hotel, Istanbul



IICEC Energy Forum Luncheon is a traditional gathering held by Sabancı University Istanbul International Center for Energy and Climate (IICEC) in honor of the participants of the IICEC's Annual International Energy Forum.

This distinguished platform brings together top-level government leaders, energy industry executives, and high-level representatives from leading universities, policy centers and international think tanks from around the world. The event, welcoming all the attendees of the forum, fosters the exchange and development of ideas and facilitates networking in energy sector for the development of solutions for a sustainable energy future for the region and the world.

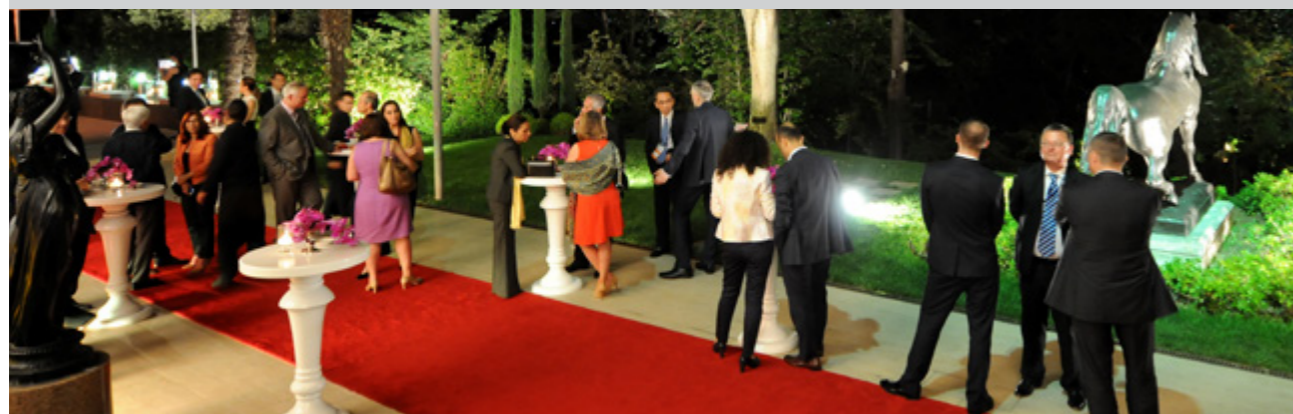


MUZEDECHANGA SPECIAL IICEC COCKTAIL & DINNER

13 June 2014, Sakıp Sabancı Museum, Istanbul

On June 13, 2014, the Special IICEC Cocktail and Dinner, hosted by **Güler SABANCI**, Chairman of the Board of Trustees of Sabancı University and **Dr. Fatih BİROL**, IICEC International Steering Committee Honorary Chairman was held at Sakıp Sabancı Museum to celebrate the "IICEC 5th International Energy Forum".

This special IICEC event was held for the honor of invited speakers of IICEC 5th International Energy Forum, IICEC Co-Chairs and Members. During the cocktail, guests also visited the exhibition "Distant Neighbour Close Memories: 600th Anniversary of Turkish - Polish Relations" to commemorate the 600th anniversary of relations between Turkey and Poland at Sakıp Sabancı Museum.



The participants of this special event included the invited speakers of the 5th IICEC International Energy Forum; **Maciej H. GRABOWSKI**, Ministry of Environment of Poland; **James LARSEN**, Ambassador of Australia to Turkey; **John HOLMES**, Ambassador of Canada to Turkey; **Eiichi HASEGAWA**, Special Advisor of Prime Minister of Japan; **Melanie KENDERDINE**, DOE, USA; **Doris PINGEL TEYSSEN** and **Johannes TEYSSEN**, E. ON; **Bedia BERKER** and **Prof. Dr. Nihat BERKER**, Sabancı University; **Semra HAKMAN** and **Selahattin HAKMAN**, Sabancı Holding; **Çiğdem TEKİN** and **Adil TEKİN**, ALSTOM Turkey; **Ahmet Ümit DANIŞMAN**, Akenerji; **Mehmet SEPİL**, Genel Energy; **Didem AK** and **Sinan AK**, Zorlu Energy Group; **Walter STEINMANN**, Swiss Federal Office of Energy. Other guests were **Denis NICOLE GELİS** and **Hüseyin GELİS**, Siemens Turkey; **Nedim ŞENER**, Ciner Group; **Doğan PENÇE**, Ciner Group; **Pars KUTAY**, Genel Energy; **Şule ORAN** and **Barış ORAN**, Sabancı Holding; **Bora Şekip GÜRAY**, Sabancı Holding; **Zeynep KÖSEOĞLU** and **Seyfettin Ata KÖSEOĞLU**, Sabancı Holding; **Neriman ÜLSEVER**, Sabancı Holding; **Prof. Dr. Ayşe KADIOĞLU**, Sabancı University; **Emeritus Prof. Dr. Ahmet EVİN**, Sabancı University; **Prof. Dr. Füsün ÜLENGİN**, Sabancı University; **Prof. Dr. Hasan MANDAL**, Sabancı University; **Prof. Dr. Yusuf MENCELOĞLU**, Sabancı University; **Cara KEYMAN** and **Prof. Dr. Fuat KEYMAN**, IPC; **Hanne KILDAHL** and **Jørgen KILDAHL**, E. ON; **Stein DALE**, E. ON; **Sevinç AL-KHOWAITER** and **Nabil O. AL-KHOWAITER**, KAPSARC; **Jan POLACZEK**, Ministry of Environment of Poland; **Igor J. MITROCZUK**, Ministry of Environment of Poland; **Grzegorz TOMASIK**, PSE S. A., Ministry of Environment of Poland; **Yetik Kadri MERT**, EnerjİSA; **Zafer KURTUL**, Sabancı Holding; **Dr. Mehmet Doğan ÜÇÖK**, IICEC. Distinguished members of the press and the media also attended to the event; **Ferhat BORATAV**, CNN Türk; **Meral TAMER**, Milliyet; **Güngör URAS**, Milliyet; **Gıla BENMAYOR**, Hürriyet; **Serpil YILMAZ**, Habertürk; **Ercan İLHAN**, Vatan; **Servet YILDIRIM**, CNBC-e; **Cüneyt TOROS**, WSJ; **Cem SEYMEN**, CNN Türk.

“WORLD ENERGY OUTLOOK 2013” TURKEY PRESENTATION

20 December 2013, Sabancı Center, Istanbul

“World Energy Outlook 2013” Turkey Presentation was presented by International Energy Agency Chief Economist and IICEC Honorary Chairman **Dr. Fatih BİROL**, with the cooperation of IICEC and TÜSIAD. The introductory remarks were made by Sabancı University Board of Trustees Chair **Güler SABANCI**, TÜSIAD Vice President **Memduh BOYDAK** and Deputy Minister of Energy and Natural Resources **Hasan Murat MERCAN**.



Speaking first, Sabancı University Board of Trustees Chair Güler SABANCI remarked, “As the demand for energy increases, great investments in all segments of the energy sector are needed on an annual basis. We need 8 to 10 billion dollars in investments every year in order to meet the demand for electricity in a secure and sustainable way. There are two prerequisites to attract investments on this scale: a stable economy, and a liberal, transparent and competitive energy market. Important steps have been taken lately to encourage competition in the electricity sector and expedite



investments. We have had tangible results in the development of a liberal electricity market, where our group company EnerjiSA is one of the leading private actors in electricity production, trade, and sale.

“The New Electricity Market Law adopted this year was another leap forward in liberalization. The privatization of distribution was completed this year. With the reduction in free consumer thresholds, theoretical market openness at the end-consumption level exceeded 80 percent. In a few years, when the free consumer threshold is eliminated, the fully-competitive retail market will have been achieved. However we must not settle for these; we must aim to achieve a more competitive energy market that will give more support to the growth and competitiveness of the Turkish economy, and offer more benefits to the consumer.”

Next, TÜSIAD Vice President Memduh BOYDAK stated that the energy sector had been growing and transforming in the last few years. BOYDAK also noted that the energy demand in some countries boomed alongside economic development, adding “As a result, the demand for energy is shifting from the West to the East. Meanwhile, developments such as the economically-viable extraction of shale gas are worth noting, as are the changes in priorities brought by environmental concerns, not the least of which is climate change. These all result in a significant disruption in the energy market equilibrium.”

Explaining that the industry was central to growth and competitive strength, BOYDAK referred to the observation in the competition report issued by the European Union in 2013 that growth and employment would not be possible without industry.

BOYDAK mentioned the energy sources in the Eastern Mediterranean, the nuclear power agreement with Iran, and the developments in the supply of Iraqi oil and gas as critical agenda items. Memduh BOYDAK said that the Natural Gas Market Law would complete the recent regulatory acts in the electricity market and the energy exchange, concluding: “Considering that an amendment to the law is currently being worked on, I must note that cost-based pricing, the restructuring of BOTAŞ, and the issue of contract assignment are critical to the liberalization of the sector.”

“World Energy Outlook 2013” Turkey Presentation was then presented by International Energy Agency Chief Economist Dr. Fatih BİROL. Dr. BİROL stated that “In both energy production and energy consumption, the center of energy world is changing very rapidly. Some long-held tenets of the energy sector are being rewritten. Countries are switching roles: importers are becoming exporters and exporters are among the major sources of growing demand. It is of strategic importance that the decision-makers need to correctly and timely assess the global developments in energy and environment and reflect these assessments to the important decisions they are making.”

The event included a panel discussion on **Shifts in the Global Energy Balance and Competition** moderated by **Selahattin HAKMAN**, President of TÜSIAD Working Group on Energy and Group President of Energy of Sabancı Group. Speakers of the panel, Deputy President of TÜSIAD Working Group on Energy and Shell Turkey CEO, **Nusret CÖMERT**; Vice-President of TÜSIAD Working Group on Energy and Turcas Petrol CEO, **Batu AKSOY**; President of TÜSIAD Working Group on Environment and Akkök Group CEO, **Ahmet DÖRDÜNCÜ**; Genel Energy CEO, **Tony HAYWARD**, and Paris Institute for Political Science Studies (Science Po) International Energy Division Director, **Giacomo LUCIANI** expressed their thoughts on energy market developments.

About World Energy Outlook

Issued by the International Energy Agency (IEA), the “World Energy Outlook” is the world’s most reputable, talked-about, and sold publication in the energy industry that contains reliable energy market analyses, critical foresight into energy supply and demand trends, and comprehensive reviews of economic developments. Report contains the latest forecasts for the next 20 years, policy developments, and recent analyses supported by the inferences from the past year. “World Energy Outlook” is a reference book for ministers of energy, economy, and environment worldwide, enabling them to make the right investment decisions and accurate plans.



“NATURAL GAS IN EASTERN MEDITERRANEAN: OPPORTUNITIES AND CHALLENGES” WORKSHOP

19 November 2013, Sabancı University, Minerva Palace, Istanbul

Istanbul International Center for Energy and Climate (IICEC) together with the Atlantic Council and EUCERS organized a one-day workshop in Sabancı University Karaköy Minerva Palace on November 19, 2013. The workshop brought together members of the academia, representatives of relevant energy businesses as well as officials from the countries involved and started with the welcome address of **John LYMANN**, Director at the Atlantic Council’s energy and environment programme, **Prof. Dr. Friedbert PFLUEGER**, EUCERS director and **Prof. Dr. Nihat BERKER**, President of Sabancı University who introduced the topic of the conference – Natural Gas in the Eastern Mediterranean: Opportunities and Challenges – to a 100-strong audience.

The first panel, **Eastern Mediterranean Gas – Conflict or Cooperation?**, started off with a discussion about the political and geographical realities of the region as well as a review of the natural gas projects that are being developed. The panel was moderated by **David KORANYI**, Deputy Director, Dinu Patriciu Eurasia Center, Atlantic Council U.S., and the speakers included **Gal REITER**, Modiin Energy, Israel; **George SHAMMAS**, Chairman, Cyprus Energy Regulatory Authority; **Hasan Selim ÖZERTEM**, Head of Center for Energy Security Studies, International Strategic Research Organization (USAK), Ankara, Turkey; **Prof. Dr. Friedbert PFLUEGER**, Director, EUCERS King’s College London, UK; **Prof. Dr. Hüseyin BAĞCI**, Department Chair of International Relations, Middle East Technical University, Ankara, Turkey; **Prof. Dr. Ahmet EVİN**, Founding Dean of Faculty of Arts and Social Sciences, Sabancı University, Turkey.

The second panel, **Eastern Mediterranean Gas – Market and Export Infrastructure Options: Business Views**, was made up of business representatives who have an interest in the regional gas market, and moderated by **Harry TZIMITRAS**, Director, Prio Cyprus Centre. Speakers included **Matthias KEUCHEL**, General Manager, EnerjiSA; **Bekir Sami ACAR**, Managing Director, EWE Turkey; **Nusret CÖMERT**, Vice Chairman of PETFORM, Turkey; **Kanat EMİROĞLU**, Chairman of the Board for Global Enerji and **Simone BERTOLO**, Head of LNG Business Development, Upstream Gas, Enel S.p.A, Italy.

The third panel, **Eastern Mediterranean Gas and the Southern Gas Corridor**, focused on the contribution of seeks to help European Union member states to wean themselves off their



dependence on Russian gas. The panel was moderated by **John ROBERTS**, Non-Resident Senior Fellow, Atlantic Council U.S., and the speakers of the panel included **Dr. Frank UMBACH**, Associate Director, EUCERS King’s College London, UK; **Androulla KAMINARA**, Director/Special Adviser European Commission; **Janusz LUKS**, CEO, Central Europe Energy Partners, Brussels, Belgium; **İbrahim PALAZ**, Expert, Energy and Economic Research Center, Caspian Strategy Institute (HASSEN), Turkey; **Yvonne RUF**, Energy Infrastructure Expert, Roland Berger Strategy Consultants GmbH, Germany; and **Aura SABADUS**, Research Associate, EUCERS King’s College London, UK.



IICEC 4TH INTERNATIONAL ENERGY FORUM “TOWARDS A NEW GLOBAL ENERGY LANDSCAPE: WHAT ROLE FOR TURKEY?”

10 May 2013, Conrad Hotel, Istanbul

We held IICEC 4th International Energy Forum on May 10, 2013, with the participation of the President of the Republic of Turkey, **Abdullah GÜL**; Minister of Energy and Natural Resources of the Republic of Turkey, **Taner YILDIZ** and Minister of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia, **Ali AL NAIMI**, and a number of distinguished speakers from the energy industry and international organizations, who direct their respective regional and global strategies with their ideas.

Distinguished speakers from the energy industry and international organizations included Deputy State Secretary of Denmark, **Hans Jorgen KOCH**; Ambassador of Australia to Turkey, **Ian BIGGS**; International Energy Agency (IEA) Chief Economist, **Dr. Fatih BIROL**; Director General of International Renewable Energy Agency (IRENA), **Adnan AMIN**; Vice President of International Finance Corporation (IFC) World Bank, **Dimitris TSITSIRAGOS**; Sabancı Holding Energy Group President, **Selahattin HAKMAN**; EDISON S.p.A CEO, **Bruno LESCOEUR**; TAQA CEO, **Carl SHELDON**; OMV CEO, **Dr. Gerhard ROISS**; E.ON SE CEO, **Dr. Johannes TEYSSEN**; SIEMENS CEO, **Dr. Michael SUESS**; ALSTOM Thermal Power CEO, **Philippe COCHET**; President of Sabancı University, **Prof. Dr. Nihat BERKER**; Executive Vice President of Government Relations Int. Shell International BV., **John CROCKER**; Managing Director for Corporate Strategy and Energy Efficiency and Climate Change, EBRD, **Dr. Josue TANAKA**; Senior Policy Fellow, Imperial College, London, **Neil HIRST**; Energy Sector Manager Europe and Central Asia, World Bank, **Ranjit**

LAMECH and Director of European Energy Strategy, CITIGROUP, **Seth KLEINMAN**. The Forum was a tremendous success in the development of policy recommendations on energy and climate, and received brilliant feedback.



IICEC will continue to grow in the future, becoming a “Polar Star” that will lead energy into the future with high-quality, objective research, and policy recommendations.



IIEEC 4TH INTERNATIONAL ENERGY FORUM, “TOWARDS A NEW GLOBAL ENERGY LANDSCAPE: WHAT ROLE FOR TURKEY?”

I. Panel: Panel Government Perspectives

Moderator:

Dr. Fatih BİROL, Chief Economist, International Energy Agency (IEA)

Participants:

HE Hans Jorgen KOCH, Deputy State Secretary, Denmark

HE Ian BIGGS, Ambassador of Australia to Turkey

HE Adnan AMIN, Director General, International Renewable Energy Agency (IRENA)

Dimitris TSITSIRAGOS, International Finance Corporation (IFC) Vice President, World Bank Group



II. Panel: International CEO Perspectives

Moderator:

Selahattin HAKMAN, President of Energy Group, Sabancı Holding

Participants:

Bruno LESCOEUR, CEO EDISON

Carl SHELDON, CEA TAQA

Dr. Gerhard ROISS, CEO OMV

Dr. Johannes TEYSSES, CEO E.ON SE

Dr. Michael SUESS, CEO SIEMENS

Philippe COCHET, President, ALSTOM Thermal Power



III. Panel: Thought Leaders' Perspectives

Moderator:

Prof. Dr. Nihat BERKER, President of Sabancı University

Participants:

John CROCKER, Executive Vice President, Government Relations Int., Shell International BV.

Dr. Josue TANAKA, Managing Director for Corporate Strategy and Energy Efficiency and Climate Change, EBRD

Neil HIRST, Senior Policy Fellow, Imperial College London

Ranjit LAMECH, Energy Sector Manager Europe and Central Asia, WORLD BANK

Seth KLEINMAN, Director of European Energy Strategy, CITIGROUP



IIEEC ENERGY FORUM LUNCHEON 2013

10 May 2013, Conrad Hotel, Istanbul

IIEEC Energy Forum Luncheon is a traditional gathering held by Sabancı University Istanbul International Center for Energy and Climate (IIEEC) in honor of the participants of the IIEEC's Annual International Energy Forum.

This distinguished platform brings together top-level government leaders, energy industry executives, and high-level representatives

from leading universities, policy centers and international think tanks from around the world. The event, welcoming all the attendees of the forum, fosters the exchange and development of ideas and facilitates networking in energy sector for the development of solutions for a sustainable energy future for the region and the world.



MUZEDECHANGA SPECIAL IICEC COCKTAIL & DINNER

10 May 2013, Sakıp Sabancı Museum, Istanbul



The Special IICEC Cocktail and Dinner, hosted by **Güler SABANCI**, Chairman of the Board of Trustees of Sabancı University and **Dr. Fatih BİROL**, IICEC International Steering Committee Honorary Chairman was held at Sakıp Sabancı Museum to celebrate the "IICEC 4th International Energy Forum".

This special IICEC event was held for the honor of invited speakers of IICEC 4th International Energy Forum, IICEC Co-Chairs and Members. During the cocktail, guests also visited the exhibition "The 1001 Faces of Orientalism" at Sakıp Sabancı Museum.



The participants of this special event included the invited speakers of the 4th IICEC International Energy Forum; **Hans Jorgen KOCH**, Deputy State Secretary of Denmark; **Ian BIGGS**, Ambassador of Australia to Turkey; **Adnan AMIN**, International Renewable Energy Agency (IRENA); **Dimitris TSITSIRAGOS**, International Finance Corporation (IFC) World Bank; **Selahattin HAKMAN** and **SEMRA HAKMAN**, Sabancı Holding; **Bruno LESCOEUR**, EDISON Sp.A; **Carl SHELDON**, TAQA; **Frank PEREZ**, TAQA; **Dr. Johannes TEYSSEN** and **Doris PINGEL TEYSSEN**, E.ON SE; **Dr. Michael SUESS**, SIEMENS; **Prof. Dr. Nihat BERKER** and **Bedia BERKER**, Sabancı University; **John CROCKER**, Executive Vice President of Government Relations Int. Shell International BV; **Neil HIRST**, Senior Policy Fellow, Imperial College, London; **Ranjit LAMECH**, Energy Sector Manager Europe and Central Asia, World Bank, and **Seth KLEINMAN**, Director of European Energy Strategy, CITIGROUP. Other guests were **Mehmet SEPİL**, Genel Energy; **Hüseyin GELİS** and **Denis NICOLE GELİS**, Siemens Turkey; **Ahmet Ümit DANIŞMAN**, Akenerji; **Adil TEKİN** and **Çiğdem TEKİN**, ALSTOM Turkey; **Gülsüm AZERİ**, OMV Turkey; **Akın ÖZKAN**, EDISON Sp.A Turkey; **Cara KEYMAN** and **Prof. Dr. Fuat KEYMAN**, Sabancı University; **Prof. Dr. Hasan MENCELOĞLU**, Sabancı University; **Cem CEMİG** and **Bettina JOY CEMİG**, Newtonmore Advisors Limited and Sabancı University; **Yetik Kadri MERT**, EnerjiSA; **Bora Şekip GÜRAY**, Sabancı Holding; **Dr. Mehmet Doğan ÜÇÖK**, IICEC



ENERGY BUSINESS LEADERS LUNCHEON

1 April 2013, Feriye Restaurant, Istanbul



On April 1, 2013, Sabancı University Istanbul International Center for Energy and Climate (IICEC) held the Energy Business Leaders' Luncheon with the participation of top energy industry executives. During the event, various topics regarding global energy markets, energy investment decisions, economical and environmentally friendly strategies were discussed.

The participants of this by-invitation-only Luncheon included **Güler SABANCI**, Sabancı Holding; **Dr. Fatih BİROL**, IEA; **Prof. Dr. Nihat BERKER**, Sabancı University; **Adil TEKİN**, ALSTOM Turkey; **Mehmet SEPİL**, Genel Energy; **Ahmet Nazif ZORLU**, Zorlu Group; **Ahmet EREN**, Eren Holding; **Ahmet ERDEM**, Shell Turkey; **Canan ÖZSOY**, General Electric; **Turgay CİNER**, Park Holding; **Hüseyin GELİS**, Siemens Turkey; **Selim GÜVEN**, Akenerji; **Begümhan Doğan FARALYALI**, Doğan Holding; **Yahya ÜZDİYEN**, Doğan Holding; **Mehmet BETİL**, Borusan Holding; **Selahattin HAKMAN**, Sabancı Holding; **Mehmet ACARLA**, Borusan ENBW; **Ahmet ÇALIK**, Çalık Holding; **Ahmet DÖRDÜNCÜ**, Akkök Holding; **Michael PEISSER**, OMV POAŞ; **Zeki ERİŞ**, Polat Holding; **Erdal AKSOY**, Turcas Petrol; **Sibel ÇETİNKAYA**, Deloitte Turkey; **Kürşat ÖZKAN**, Sabancı Holding; **Dr. Mehmet Doğan ÜÇÖK**, IICEC; **Bekir Sami ACAR**, EWE Turkey; **Bakatjan SANDALKHAN**, RWE Turkey; **Murat ÇOLAKOĞLU**, PWC; **Mehmet HATTAT**, Hattat Holding; **Gürhan KARTAL**, Hattat

Holding; **Gültekin ERANIL**, Boydak Energy; **Ceyhan SALDANLI**, Bereket Energy; **Kenan YAVUZ**, Socar Turkey; **Mustafa BAĞRIAÇIK**, Deutsche Bank; **Uğur BAYAR**, Credit Suisse Istanbul; **Ayşe ZADİL**, JPMorgan Chase Bank N.A.; **Bora Şekip GÜRAY**, Sabancı Holding; **Akın ÖZKAN**, Edison Sp.A; **Demet D. DERBİL**, Statoil; **Varol CİVİL**, TEB; **Prof. Dr. Yusuf MENCELOĞLU**, Sabancı University and **Ayşenur HIÇKIRAN**, CITIBANK.



The Potential Role of Turkey in a Globalising Gas Market

Sabancı University Istanbul International Center for Energy and Climate (IICEC) was represented by Mehmet Doğan Üçok* in the "Global Turkey in Europe" Conference held at the European Council on Foreign Relations with experts from many countries.

Held with the partnership of Sabancı University Istanbul Policy Center (IPC), Stiftung Mercator, Istituto Affari Internazionali and European Council on Foreign Relations (ECFR) at ECFR's London office, the conference on Global Turkey in Europe: Turkish-European Energy Relations sought answers to how the cooperation between EU and Turkey on energy may be enhanced. Speakers in the conference from international energy institutions and universities mostly discussed the natural gas potential in Turkey and the region, the sources in the Eastern Mediterranean, Iraq, Iran, Caucasus and Central Asia, and Turkey's potential for becoming an energy corridor or a possible international energy hub.

Mehmet Doğan Üçok attended the conference on behalf of Sabancı University Istanbul International Center for Energy and Climate (IICEC), presenting his paper titled The Potential Role of Turkey in a Globalising Gas Market. The paper argued that expanding the liberalization that began with the electricity market to the entire energy sector and particularly the natural gas segment would encourage future investments in Turkey, which would be extremely important for Turkey's aspiration to become a hub for energy.

Executive Summary

In a changing global energy landscape, Turkey and the EU could have more opportunities to enhance their energy security, benefiting from the developments in the global LNG scenario and of the energy fields in Shah Deniz, the Eastern Mediterranean, and Iraq. Especially the recent TANAP agreements show that Turkey is starting to play a significant role in the transportation of the region's resources to the west, and become a "geographically natural" gas bridge, or a possible energy hub. To facilitate this further, Turkey's main policy objective in the governance of natural gas should be the formation of a transparent, liberal and competitive gas market. Turkey's energy market is entering a new, liberal era, and if the liberalisation of the Turkish natural gas market is also successfully accomplished in the following years, Turkey would attract more investors to her energy stock market and to the surrounding gas rich regions, paving the way for gas-to-gas competition. Turkey would then have a stronger potential to develop into a regional energy trade hub, providing a bridge to the European energy exchange markets.

Please visit http://www.iai.it/pdf/GTE/GTE_PB_09.pdf for the full version of the paper.

* Mehmet Doğan ÜÇOK, IICEC Coordinator; has a doctorate degree in National and International Security Strategies in the department of Strategy and Strategic Studies, and his main field of interest is Energy Security and Government Policies.



A TRIBUTE TO IICEC HONORARY CHAIRMAN DR. FATİH BIROL

International Energy Agency (IEA) Chief Economist and Sabancı University International Center for Energy and Climate (IICEC) International Steering Committee Honorary Chairman **Dr. Fatih BIROL** was awarded a Doctorate of Science honoris causa by **Imperial College London** at the Royal Albert Hall on 23 October 2013.

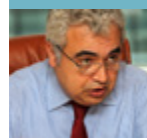
Director of the Grantham Institute for Climate Change at Imperial College London, **Sir Brian HOSKINS** said, "We award this year's **honorary doctorate** to a most influential person in the global energy scene". The title, in recognition of Dr. BIROL's "contribution towards the economic analysis of global energy issues and the championing the cause of universal energy access over the last decade", was conferred by the College's President and Rector, **Sir Keith O'NIONS**.

Speaking at the ceremony, Dr. BIROL said that Imperial College was a leading institution in a wide range of subjects from medicine to energy, economics and natural sciences. Dr. BIROL continued, "Imperial College recognizes one person every year with an honorary doctorate, and I was chosen this year. This is a great pride and happiness for me, my family and my country."



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IICEC International Steering Committee Honorary Chairman



Fatih BİROL

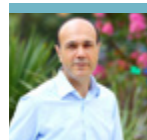
Chief Economist,
International Energy Agency

IICEC International Steering Committee Members



Güler SABANCI

Chairman, Sabancı
University Board of
Trustees



Adil TEKİN

President,
ALSTOM Turkey



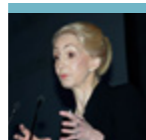
John DEUTCH

Institute Professor,
Massachusetts Institute
of Technology



A. Nihat BERKER

President, Sabancı
University



Barbara Thomas JUDGE

Former Chairperson, UK Atomic
Energy Authority



Nabil O. AL KHOWATIER

Director of Business
Development, King Abdullah
Petroleum Studies and Research
Center (KAPSARC)



Mehmet GÖÇMEN

Energy Group President,
Sabancı Holding



Kemal DERViŞ

Vice President,
Brookings Institute



Xavier CHEN

President, Beijing
Energy Club

IICEC Board of Directors Chairman



Güler SABANCI

Chairman, Sabancı
University Board of
Trustees



Mehmet GÖÇMEN

IICEC Co-Chair
Energy Group President,
Sabancı Holding



A. Nihat BERKER

President, Sabancı University



Fatih BİROL

Chief Economist,
International Energy
Agency



Adil TEKİN

IICEC Co-Chair
President, ALSTOM
Turkey



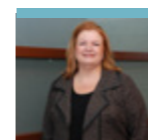
Ahmet ERDEM

President, Shell Turkey



Ahmet Ümit DANIŞMAN

General Manager, Akenerji



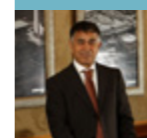
Canan ÖZSOY

President and CEO,
GE Turkey



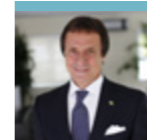
Mehmet SEPİL

President, Genel
Energy



Ahmet EREN

Chairman, Board of Directors,
Eren Holding



Ahmet Nazif ZORLU

Chairman, Board of Directors,
Zorlu Group



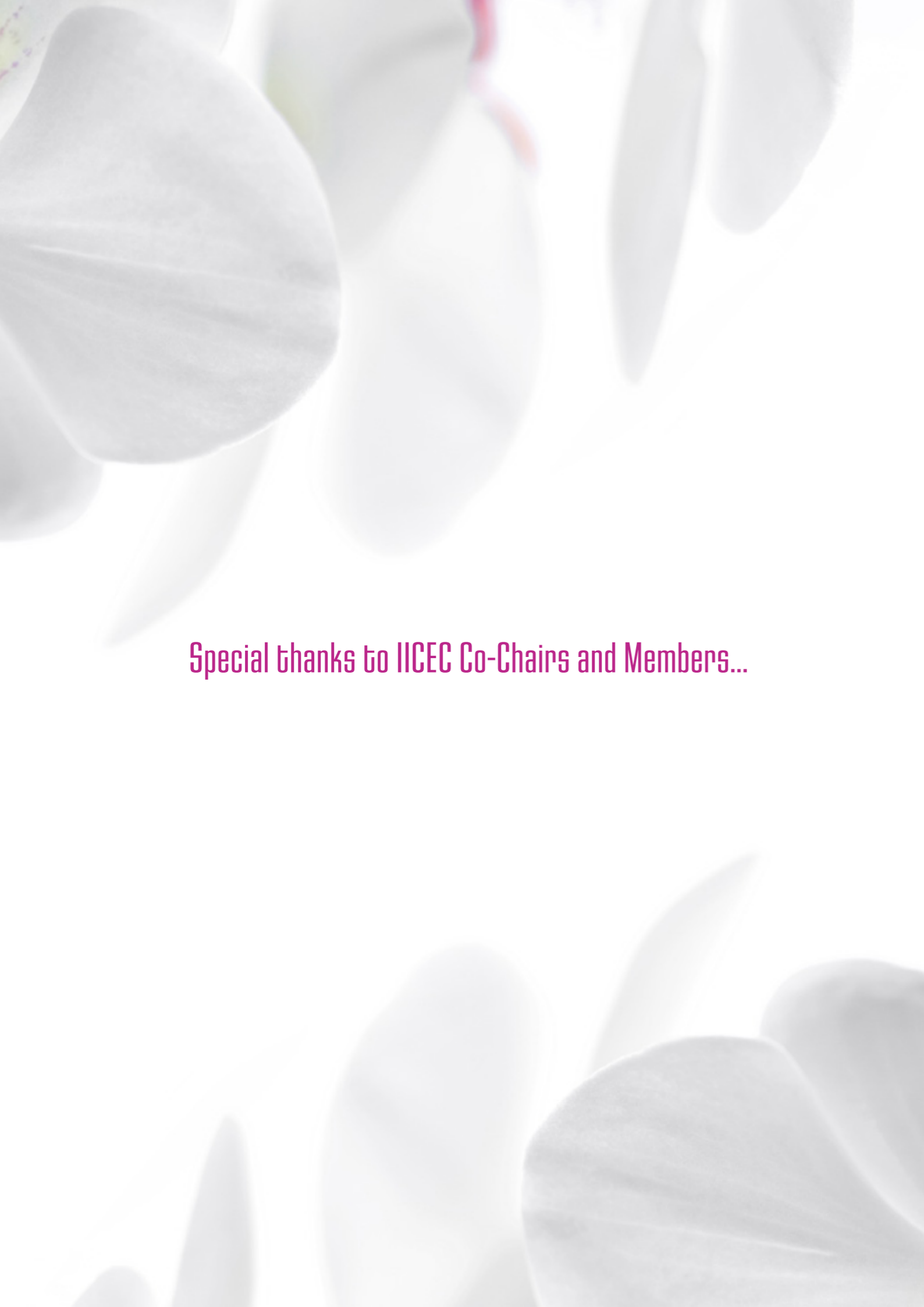
Hüseyin GELİS

President and CEO,
Siemens Turkey



Turgay CİNER

President, Ciner Group



Special thanks to IICEC Co-Chairs and Members...



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