

Speech by Gary Jones, bp's regional president for Azerbaijan, Georgia, Turkiye, at Baku Energy Forum

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'Together towards Azerbaijan's energy future'

Introduction

- Good afternoon, everyone.
- As always, it's great to join Baku Energy Week and be here today at this Forum.
- This event is a valuable platform for discussing challenges and opportunities in the energy sector.
- Particularly now, as Azerbaijan's role in the changing energy world continues to grow.
- This country has a huge energy potential - from both hydrocarbons and renewables perspectives.
- Today, I want to talk about how we can help further unlock this potential and what role this region can play in the energy transition.

Solving energy trilemma – AND not OR

- The world has changed significantly in the past few years.
- This morning, we heard from Gordon what the world needs in terms of energy supplies.
- It needs a **better, more balanced energy system**.
- And by balanced, we mean a system that can provide secure, affordable and lower carbon energy – what is known as the 'energy trilemma'.
- In bp, we see two ways we can help:
 - **investing in the energy transition AND NOT OR,**

- **investing in today's energy system, which is mainly hydrocarbon based.**
- Our current business in the Caspian directly contributes to solving both of these needs.
- Let me explain how.

Fueling today's energy system

- In the Caspian, we are running a world-class hydrocarbon business, providing the energy the world needs today.
- Let's take our giant ACG field.
- We are close to delivering the next stage of its development - the **Azeri Central East project**, or ACE in short.
- This \$6 billion project includes a new platform designed to process up to 100,000 barrels of oil per day.
- We have already installed the ACE jacket offshore, and it is now waiting for the topsides to arrive in a few weeks.
- ACE will come online early next year and will contribute to the sustainable and secure energy supply from the Caspian.
- I'd like to show you a short video clip about how this massive project has been built.
- Indeed, an amazing feat of engineering which has been delivered mostly by Azerbaijani nationals!
- I'm pleased to say that another bp-operated project – **Shah Deniz** – also continues to demonstrate fantastic performance and a phenomenal operating efficiency of almost 100%.
- Today, Shah Deniz produces about 73 million cubic metres of gas per day, while still ramping up.

- At plateau, which we are aiming to achieve this year, this field will produce around 26 billion cubic meters of gas per year, further helping the security and diversity of supply for regional and European markets.
- In parallel, we are **looking for new sources of gas**.
- Earlier this year, we spudded **an exploration well on Shah Deniz** to look for more gas beneath the currently producing horizons.
- The rig that is drilling this well is remarkably named after national leader Heydar Aliyev, whose 100th anniversary is honored nationwide this year.
- Heydar Aliyev has played an exceptional role in turning the country's energy vision to reality.
- We in bp honour this great man with deep respect and gratitude.
- We are also finalizing an **appraisal well on ACG** aiming to evaluate deep-lying gas reservoirs under the producing oil field.
- As you can see, we continue to focus on resilient hydrocarbons in the Caspian basin to help keep affordable energy flowing where and when it's needed.

Investing in energy transition

- In parallel, we are looking for ways to reduce emissions and decarbonize our existing oil and gas production.
- We aim to eliminate routine flaring at our sites and install methane detectors across our facilities to reduce emissions by 50%.
- Our **ACE platform is also designed to be lower carbon**.
- It will be controlled remotely, with most of its systems and tasks automated, which means less travel, fewer shutdowns and outages, and hence lower flaring and emissions.

- On Shah Deniz, we are working to **replace the diesel generators on the Shah Deniz Alpha** platform with lower-emission gas-fired power from Shah Deniz Bravo.
- This will help reduce Shah Deniz Alpha's carbon footprint and raise its operational efficiency.
- We are also evaluating how to **electrify our operations** and stop burning fuel gas for power.
- The electrification of the Sangachal terminal could be a good start.
- Switching from gas turbine generation to grid power at Sangachal would lead to not only less emissions, but also more gas to export to world markets.

Supporting Azerbaijan towards new energy future

- We believe that investing in the energy transition also means helping the countries where we operate in their journeys towards new energy future.
- Azerbaijan has advanced energy infrastructure, solid partnerships and excellent renewable resources, that's why **it can get ahead in the energy transition**.
- As Azerbaijan's long-term and reliable partner, bp is ready to help.
- Last year, we presented to the Ministry of Energy a **set of recommendations on how Azerbaijan can decarbonize its economy** by 2050 using its rich energy potential.
- There are plenty of opportunities for turning the Caspian into a global hub for renewables. And we are already acting in certain areas.
- For example, we are finalizing on-site assessments to start building a **240-megawatt solar power plant in Jabrayil**.

- Together with the Ministry, we have identified an innovative mechanism that could serve as a basis for pioneering a virtual power plant model in Azerbaijan.
- We have also **teamed up with SOCAR** to look for similar potential renewable projects.
- In parallel, we are helping to develop a skilled local workforce capable of delivering energy projects of the future.
- Last year, we established **a new master's degree programme in renewables** at the Azerbaijan State Oil and Industry University and already expect the first cohort of students to start their studies later this year.
- We hope this programme will help Azerbaijan meet the growing demand for local renewables experts as the country transitions to its energy future.

Close

- In conclusion, let me go back to where I started.
- Action is needed to accelerate the energy transition.
- For this, **we need to both invest in the transition AND invest in energy security.**
- Azerbaijan has vast energy potential, and it is uniquely placed to get ahead in this transition.
- And we are committed to supporting it.
- Together, we can unlock the potential of the country's renewable energy resources, while also producing its hydrocarbons in a safe, responsible and sustainable way.
- There is much work to be done, and **we look forward to building Azerbaijan's new energy future together!**
- Thank you for your attention.

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