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Introduction

The global usage of gasoline and other sources of energy will continue to increase over the next few decades as populations grow and developing countries expand their consumption of world resources. This implies that energy producers must increase their supply of energy as well as consider alternative sources of energy. There is an ever-growing appetite for crude oil and other sources of energy, with the projection of worldwide energy consumption to increase by more than 40 percent by 2035 (Chevron Corporation, 2013). The growing demand for energy results from the population that is predicted to increase by 25 percent over the next 20 years, with majority of that growth coming from emerging economies such as India and China. Rising demand for energy from improved living standards and economic development will likely put added pressure on energy supplies. For instance, China projects its demand for energy to increase by 2035 (American Petroleum Institute, 2013).

Chevron has recognized that the world needs more energy and they are considering the energy they can develop in many potential forms. According to Chevron's website, the company has embarked on a broad portfolio of energy resources, with \$33 billion budgeted in 2013 for exploratory and capital projects (Chevron Corporation, 2013). These projects include finding and developing conventional as well as new sources of gas and oil. The firm is devising ways of using energy efficiently. In addition, Chevron has started investing in renewable energy and next generation of energy sources.

Future of world energy

The developed economies will only account for 4 percent of this total growth in this period, while emerging economies will account for the remaining 96 percent. Additionally, consumption of energy per capita will grow at a rate of 0.7 percent, almost the same pace since 1970. According to U. S. Energy Information Administration (2013), there are things that cannot not change, like the underlying drivers of energy demand, and those that can change, such as how to satisfy that demand. Fossil fuels are likely to remain the predominant source of energy resources for the next decades, but technological advancements and the development of alternative sources of energy will play a significant in the consumption patterns of energy.

According to the latest World Energy Outlook report, the global demand for oil will increase from 87 million barrels per day to 99 million barrels in 2035, with all the net growth originating from transportation sector in emerging economies (U. S. Energy Information Administration, 2013). Additionally, the growth in usage of natural gas will match that of coal in the next 20 years.

On the supply side, liquid energy resource production will increase in response to demand. Market forecast indicate that the Organization for Petroleum Exporting Countries (OPEC) will account for 70 percent of the increased supply by 2030 and accounting for 45 percent of the market share (International Energy Agency, 2013). The unlocking of Brazilian deepwater drilling, Canadian oil sands, and United States shale oil production will increase the supply from Americas by 8 million barrels per day.

Exploring more gas and oil

With the increasing demand for crude oil and other sources of energy, Chevron has embarked on a program aimed at meeting the growing demand for energy. According to the U. S. Energy Information Administration (2013), even with the increased use of renewable sources of energy over the next 25 years, the world will still depend on fossil fuels for at least 50 percent of its energy needs. In response to the growing demand for energy, Chevron invested \$30. 4 billion in exploration and production in 2012 to develop their portfolio of major capital projects (Chevron Corporation, 2013). This will ensure that the company to respond the growing demands for energy. The company has invested in new technologies to improve exploration of new sources of oil and gas. The use of advanced technology has enabled the company to maximize the production of their existing natural gas and crude oil wells and to drill deeper than it has done before with the aim of locating and recovering that many companies have considered too difficult to develop. For example, exploration work at the Tahiti Field in the deepwater U. S. Gulf of Mexico has demonstrated the capacities of Chevron to explore further sources of crude oil and natural gas. The deepest producing well in Tahiti is more than 8, 140 meters, a record for the Gulf of Mexico (Chevron Corporation, 2013). Production at the Tahiti Field began in May 2009 ().

Efficient use of energy

In order to meet the growing demand for energy, oil companies such as Chevron have realized the importance of efficient use of energy. This is because energy efficiency is the least costly and most plentiful form of

energy that the world has. Chevron has a subsidiary, Chevron Energy Solutions (CES), which is devoted to helping government agencies, schools, and businesses to use energy more efficiently as well as sustainable use of energy (Chevron Corporation, 2013). CES is one of America's largest installer of solar energy systems for educational institutions, which helps such institutions reduce their energy usage by an average of 30 percent (Chevron Corporation, 2013). Chevron has also applied the solutions provided by CES to their business. For example, as of 2012, Chevron had increased their energy efficiency by 34 percent since 1992 (Chevron Corporation, 2013). The company achieved this by investing in energy-efficient efforts directed towards reducing the amount of energy they use in their operations. Chevron achieves energy saving initiatives by taking actions such as installing more-efficient heat exchangers, upgrading steam straps, and constructing energy efficient power plants.

Developing alternative sources of energy

With the increasing dependence of organic fuels, Chevron has started making global investments in alternative and renewable sources of energy and in energy efficiency. The company plans to use these efforts in modifying their energy portfolio over the long term. Chevron has started venturing in renewable sources of energy such as cellulosic bio-fuels, which do not compromise world food supply, solar, and geothermal. These sources of energy will provide new raw materials for fuels, new sources of power, and new benefits to the environment.

Meeting the demand

Geopolitical pressure, growing demand, and more remote and challenging resources continue to change the global energy landscape. These forces of supply and demand determine the price of fuel. In order to meet the increasing demand for energy, Chevron is increasing its natural gas segment in their energy portfolio. The company has natural gas resources spanning in six continents, with significant holding in South Asia, Africa, Australia, the Caspian region, North America, and Latin America. Chevron produced about 5.07 billion cubic feet of natural gas per day in 2012, which include equity shares in affiliated companies, with expectation of substantial increase over the next decade (Chevron Corporation, 2013). Despite the plentiful availability of gas resources, most of these resources are available in isolated oceans away from greatest demand. Chevron has the capability to develop resources and deliver natural gas and oils to the markets where demand is growing. Chevron engages in every aspect of natural gas business including extraction, production, liquefaction, shipping, pipelines, re-gasification, gas-to-liquids, and power generation.

In an attempt to meet the increasing demand, Chevron has warned that the regulatory obstacles as well as operational and financial hurdles may hinder the progress on new liquefaction capacity, potentially leading to a 150mt supply shortfall in 2025 (Chevron Corporation, 2013). In response to the growing discord between demand and supply, Chevron has extensive plans to increase production of more gas across oceans. However, despite the company's plans to increase the number of projects, the complexity and size in addition to aboveground risks pose a threat to realizing this dream

(Brown, 2013). Geopolitical issues and price fluctuation also cause delays in meeting demand.

Conclusion

Chevron has noted that there is increasing demand for oil and gas and the best means of meeting the demand is by increasing their production capacity as well as venturing into alternative sources of energy. The company is also venturing in efficient use of energy by collaborating with other organization including government and schools. This will help the company respond to the increasing demand for oil and gas. Additionally, geopolitical pressure, growing demand, and more remote and challenging resources continue to change the global energy landscape.

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