

## Global Energy Conference Shelved Amid Coronavirus Fears

By **Keith Goldberg**

*Law360 (March 2, 2020, 5:24 PM EST)* -- Coronavirus concerns have forced the cancelation of the annual CERAWEEK by IHS Markit global energy megaconference scheduled for next week in Houston, which experts say is a lost opportunity for the energy industry's biggest players to collectively grapple with the climate change-fueled transition that faces the sector.

IHS Markit said in a statement Sunday that it was canceling the March 9-13 conference in light of growing worries over the spread of COVID-19 disease caused by the coronavirus, noting the World Health Organization recently raised the threat level of the disease and that "border health checks are becoming more restrictive and there is growing concern about large conferences with people coming from different parts of the world." The company said delegates from more than 80 countries were expected to attend this year's conference.

Annual speakers and attendees are a who's who of global private- and public-sector energy and finance luminaries. This year's list included heads of the U.S. Environmental Protection Agency and Federal Energy Regulatory Commission, the secretary general of the Organization of the Petroleum Exporting Countries and the CEOs of BP PLC, ConocoPhillips Co. and Total SA.

"It's a really good forum to address all the issues across the entire industry," said Cliff Vrielink, the global leader of Sidley Austin LLP's energy and infrastructure practice and co-managing partner of the firm's Houston office. "It really is kind of the Davos for the energy industry."

Experts say this year's conference may have been the most consequential yet, as climate change has forced a rethink of the future of energy to include moving from fossil fuels to zero-carbon technologies. Many of the scheduled talks on future oil and gas industry trends touched on topics of energy transition, from low-carbon transportation fuels to the future prospects of global liquefied natural gas.

"This is the biggest issue on the table," Winston & Strawn LLP energy transactional partner Eric Johnson, who is based in Houston. "The entire industry is under this incredible pressure to make change, and this perfect chance for everybody to get together just got killed."

Francisco Monaldi, a fellow in Latin American energy policy at Rice University's Baker Institute for Public Policy, said CERAWEEK allows for broad interaction between so-called old energy — i.e. oil and gas — and the emerging energy world of renewables and electrification. He said it's a conversation that could take place at a diplomatic level as well, given the number of public officials that attend.

"It would definitely offer an opportunity for that type of dialogue," Monaldi said.

That dialogue happens during the formal talks as well as in hallways and backrooms between the talks. Experts say those behind-the-scenes areas are where a lot of deals get struck as well, since it's not often one gets entire C-suites of energy companies all in one place.

"You'll have a decreased volume in deal-making because people aren't talking," Winston & Strawn transactional partner Mike Blankenship said.

It's already a chilly environment for making oil and gas deals, as capital and debt markets remain wary of new drilling investments amid continued oil price volatility. But deal attorneys say CERAWeek's cancelation isn't necessarily about missing out on specific deals, it's about missing out on getting a greater sense of where dealmaking trends are heading.

"When we just have our pure lawyer hat on, when we think about CERAWeek, we think about deal makers getting together and talking about deals," Johnson said. "Getting a feel for the attitude and demeanor of those guys and what they think 2020 M&A might look like, that's been lost on our side for sure."

The cancelation of CERAWeek is a microcosm of the effect the coronavirus disease is having on the global energy industry, which experts say is more interconnected than ever. For example, oil and LNG prices have slumped in recent weeks amid eroding demand in hard-hit countries such as China. Experts also say there's growing concern about global supply chains for energy industry materials and equipment.

"It's a global industry, and the impact on travel has had a profound [effect]," Vrieling said. "There's a lot of economic activity that isn't taking place, and that's affecting the business."

Ironically, the coronavirus would have been a fertile discussion topic at CERAWeek, experts say.

"It would have been a very important discussion place to understand how to react and how to address this crisis for the oil sector," Monaldi said.

--Editing by Alanna Weissman.