



Security of gas supply: From the national to the European dimension

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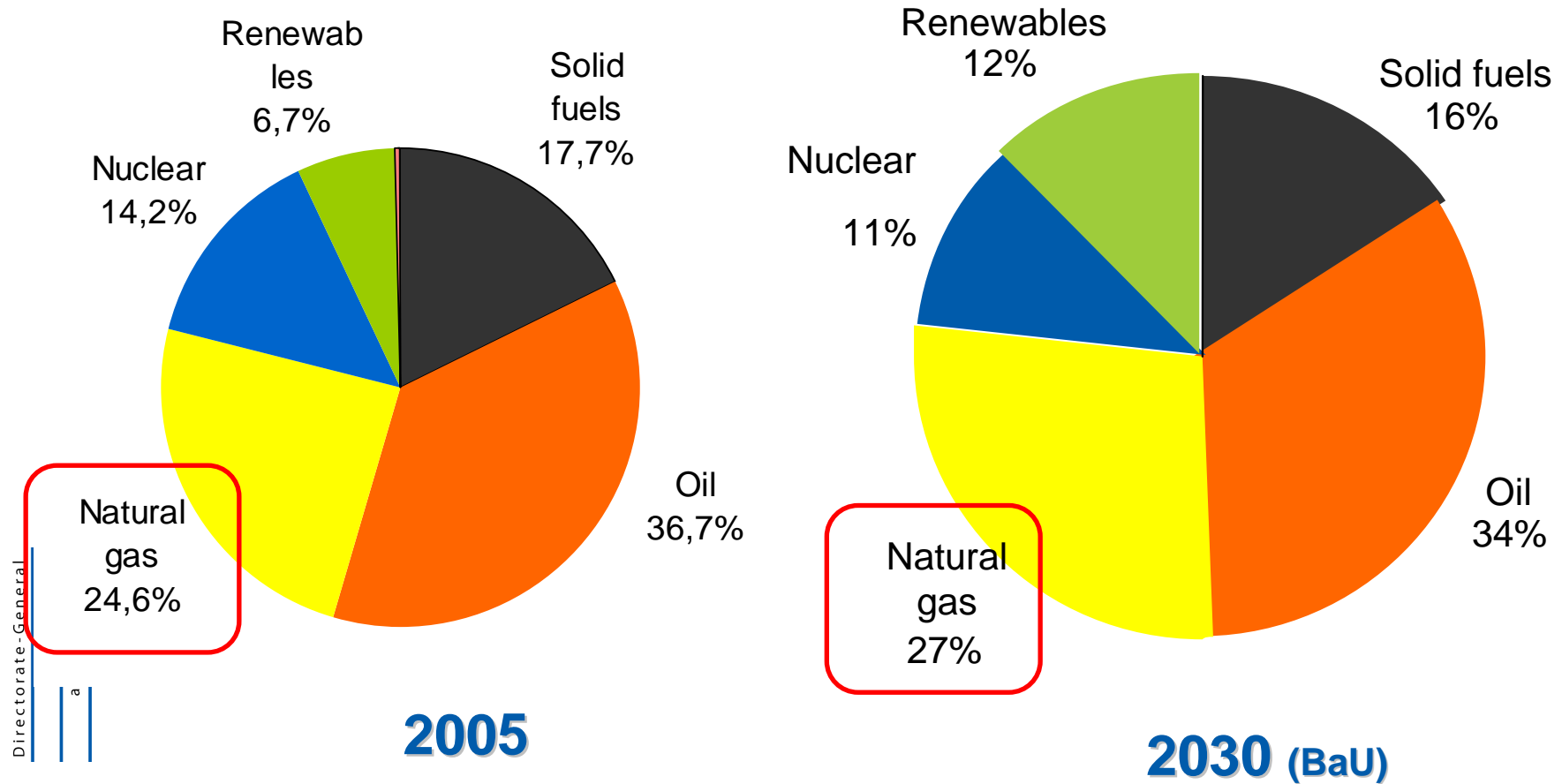
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Clingendael International Energy Programme

Gas Day 2008

The Hague, 3 September 2008

The EU energy mix



Directorate-General

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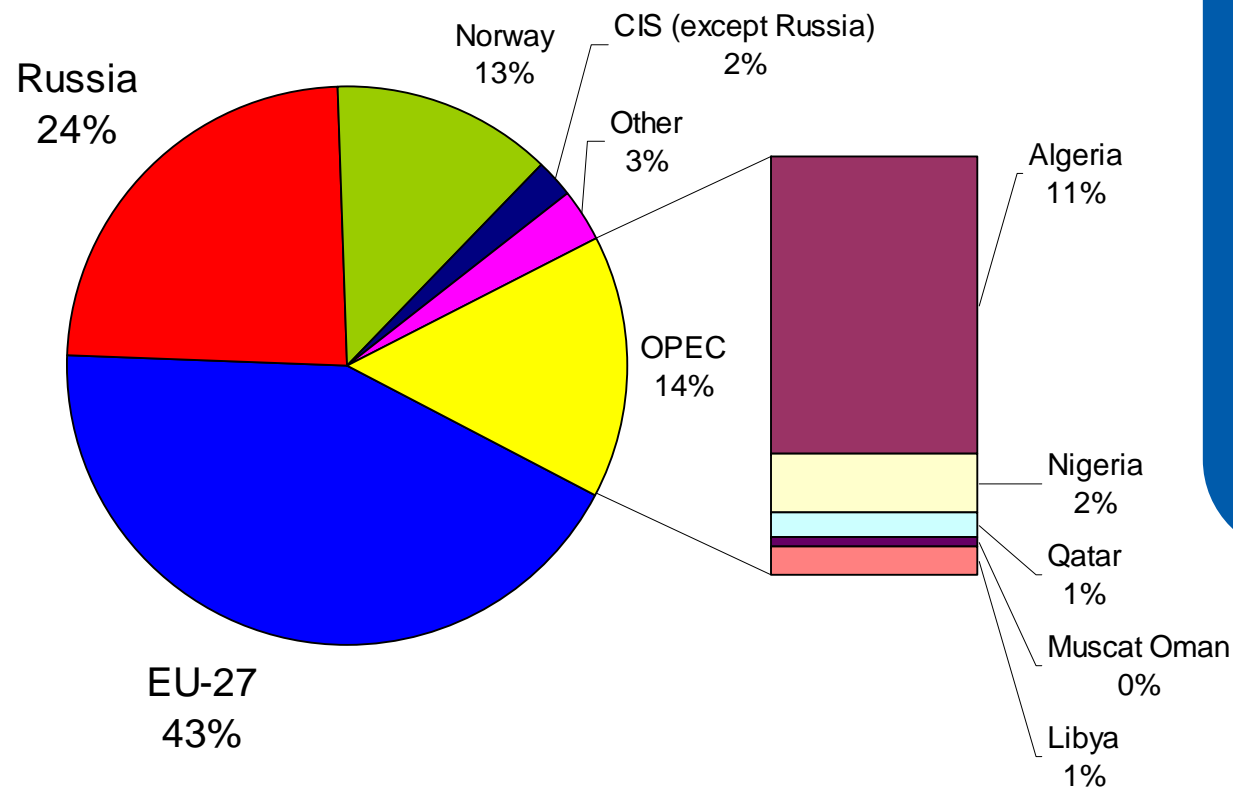
Source: EUROSTAT and PRIMES



Outline

- **Natural gas in the EU27**
- **The elements of a successful security of supply policy**
- **The instruments**

● EU-27 ORIGIN OF GAS



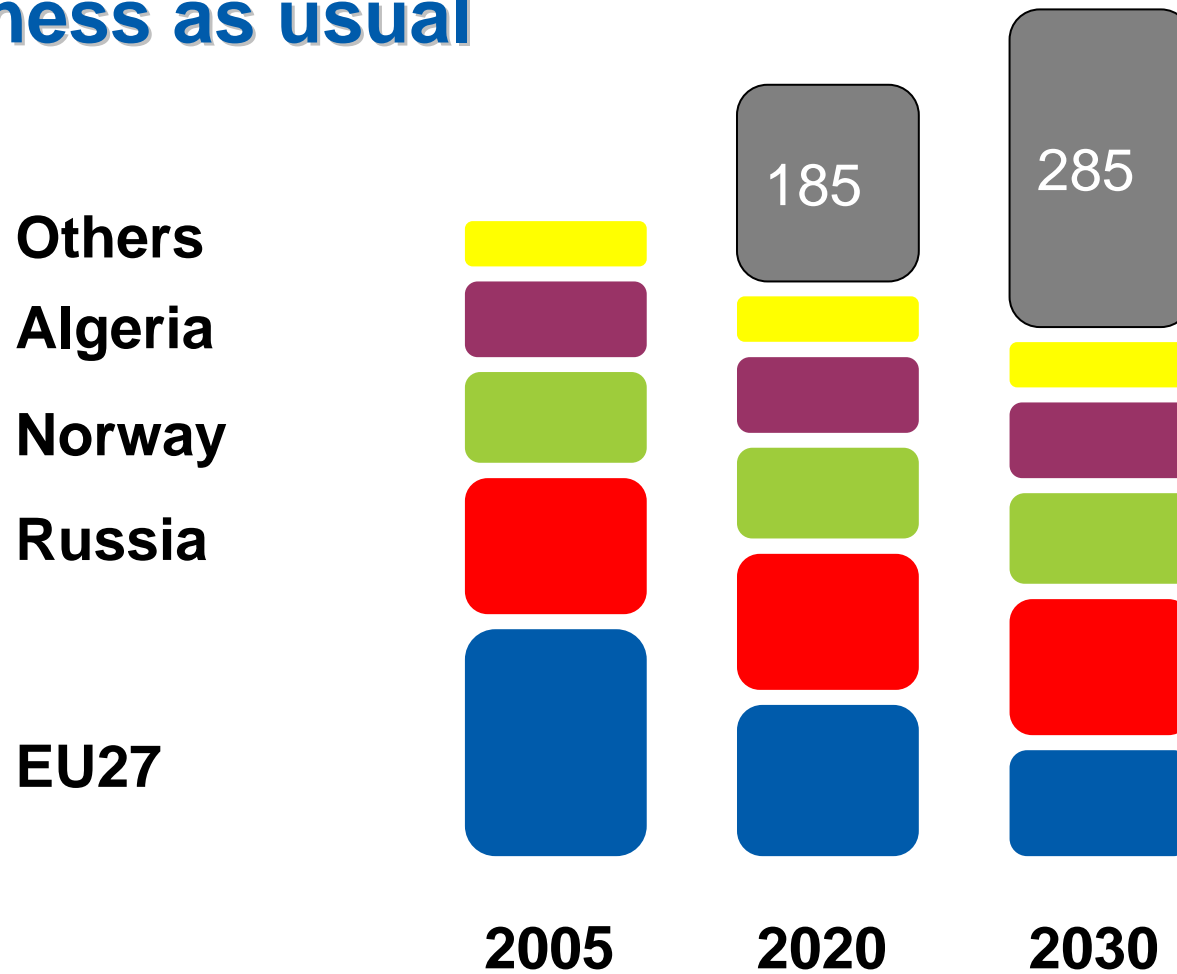
- Growing gas demand
- Decreasing EU27 production
- Import by 2010 – 62%
- Import by 2030 – over 80%



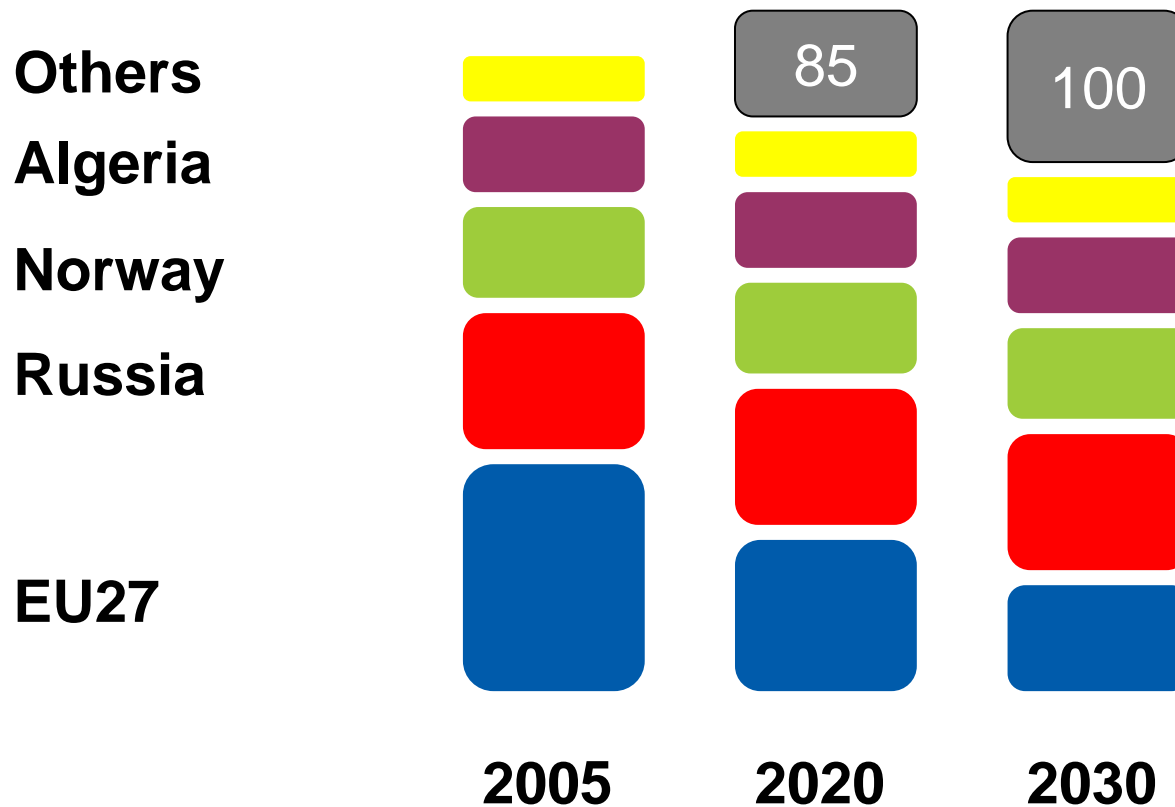
Source : European Commission, Eurostat 2005

● EU-27 ORIGIN OF GAS – Future outlook

Business as usual



- **EU-27 ORIGIN OF GAS – Future outlook**
If renewables and efficiency measures work



● Elements for security of gas supply

- Internal market
- Solidarity
- Security of gas supply directive
 - » Gas Coordination Group
- Diversification of sources and supply routes
 - » Infrastructure
- Storage
- LNG
- Strong measures to improve energy efficiency
- A common international energy policy
 - » Cooperation with current supply countries
 - » Opening up to new supply countries
- Co-ordination

● Elements for security of gas supply – the instruments

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- Co-ordination of TEN-E

**3rd package
IEM**

**Second
Strategic
Energy
Review**

**Policy or
bilateral
dialogues?**

TEN-E coordinators

● **The European Dimension of SoS in the 3rd Internal Energy Market package, 19.9.2007**

Main shortcomings:

- Lack of market integration at EU level
 - » Lack of TSO cooperation
 - » Regulatory gap
 - » Lack of interconnections

Proposed solutions:

- Effective Unbundling
- TSO cooperation
- European Agency for Regulatory Cooperation
- Solidarity arrangements

● **Solidarity in Security of Supply**

- In the **Lisbon Treaty**, Article 100: the Council may decide "in a **spirit of solidarity between Member States**, upon the measures appropriate to the economic situation, in particular if severe difficulties arise in the supply of certain products, notably in the area of energy"
- Increase electricity and gas **Interconnections**
- **Gas Coordination Group**
- **Network of Energy Security Correspondents (NESCO)**
- **Third package on Internal Energy Market**

● **Solidarity cooperation in the 3rd Internal Energy Market package**

- In proposed Gas Directive
- Member States should cooperate in order to promote regional and bilateral solidarity mechanisms
- Cooperation intended to cover situations which are likely to result in severe disruptions of gas supply
- Examples of this coordination are
 - » streamlining of national measures to deal with emergencies
 - » elaboration of practical modalities for mutual assistance.
- No excuse not to invest in security of supply infrastructure e.g. storage

● Energy Efficiency

- Energy Efficiency Action Plan: saving 20% energy (adopted on 19 October 2006)
- Transport : Green paper on urban mobility (adopted on 25 September 2007)
- Buildings : Review and revision of Buildings Directive
- New proposals on labelling of household appliances
- New proposals on lighting / street lighting
- Implementing measures for eco-design directive
- **Structural Funds** and the **EIB/EBRD** loans specifically allocated to support energy efficiency
- **International platform** on energy efficiency with IEA countries, Russia, China and India.

● **Second Strategic Energy Review – Nov. 2008**

- Focus on **Security of Supply** (of all fuels)
- Revision of **TEN-E guidelines**
- **Evaluation report of Directive 2004/67/EC on Security of Gas Supply**
- Study on **Gas Storage** in the EU – is there a need for a common approach on **strategic stocks**?
- Update on the state of **implementation** of the first Strategic Energy Review

● **TEN-E - European Coordinators**

One of the biggest challenges in cross-border projects is CO-ORDINATION

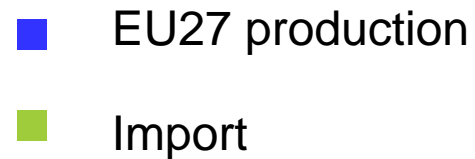
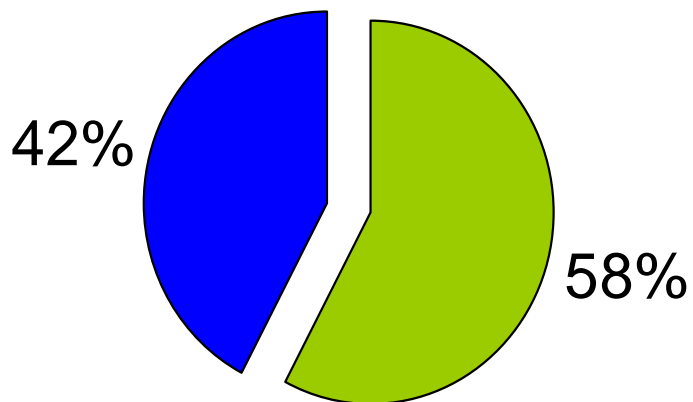
- **COMMISSION DECISION of 12 September 2007 designating four European coordinators for certain trans-European energy network projects C(2007) 4278 final**
- Mission statement: “On the basis of Commission Decision No C(2007) 4278, the Commission has designated [Mr Jozias van Aartsen] as European coordinator for the project of European interest n° NG 3 and in particular the natural gas connection Turkey-Austria, through Hungary, Romania, Bulgaria (NABUCCO project)”

- **Speaking with one voice**
– **the external energy policy**

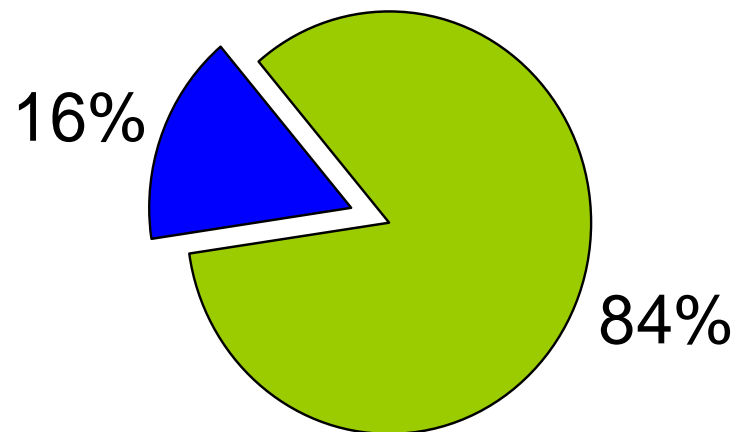


● Origin of natural gas

EU27 Gas consumption 2005



EU27 Gas consumption 2030



**Need for a common EU
external energy policy**

● International Energy Policy

Norway, EEA member

EU Norway ongoing dialogue covers:

- gas supply and demand prospects,
 - internal market rules,
 - carbon capture and storage,
 - energy community treaty developments
-
- Norway participates in many groups and committees through the internal market provisions.

● International Energy Policy

● ENHANCED COOPERATION WITH KEY ENERGY PRODUCERS, TRANSIT COUNTRIES AND CONSUMERS:

>> Through OPEC, GCC, with Central Asia (e.g. MoU Azerbaijan, Kazakhstan), Baku Initiative, Latin America, Caribbean, Africa-Europe Partnership

● EU RUSSIA ENERGY DIALOGUE:

>> Energy partnership in the framework of the post-PCA agreement

INFORMATION & DOCUMENTATION

All documents on the climate and energy package are available on:

http://ec.europa.eu/energy/energy_policy/index_en.htm

Documents on the internal market package:

http://ec.europa.eu/energy/electricity/package_2007/index_en.htm

Documents on TEN-E:

http://http://ec.europa.eu/ten/energy/index_en.htm



**THANK YOU FOR YOUR
ATTENTION**

