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

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Gas Day 2008
The Hague, 3 September 2008
The EU energy mix

**2005**
- Natural gas: 24.6%
- Oil: 36.7%
- Nuclear: 14.2%
- Renewables: 6.7%
- Solid fuels: 17.7%

**2030 (BaU)**
- Natural gas: 27%
- Oil: 34%
- Nuclear: 11%
- Renewables: 12%
- Solid fuels: 16%

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

Others
Algeria
Norway
Russia
EU27

2005
2020
2030

Source: European Commission, Eurostat 2005
EU-27 ORIGIN OF GAS – Future outlook
If renewables and efficiency measures work

- Others
- Algeria
- Norway
- Russia
- EU27

Source: European Commission, Eurostat 2005
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

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

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.
Focus on **Security of Supply** (of all fuels)

Revision of **TEN-E guidelines**


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

- 42% EU27 production
- 58% Import

EU27 Gas consumption 2030

- 16% EU27 production
- 84% Import

Need for a common EU external 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
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:


Documents on TEN-E:

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