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Newsletter

*Eurogas wishes all its members and contacts
Merry Christmas and a Happy New Year 2008*

► The General Assembly of Eurogas Discussed the Proposed EU Energy Package of Liberalization

The delegates of Eurogas met on 5 December 2007 in Brussels and debated the latest proposals on the gas market.

In his speech, the President of Eurogas Mr. Domenico Dispenza, Chief Operating Officer ENI Gas & Power focused on the third package of liberalization of gas. He insisted on the fact that Eurogas will continue a systematic dialogue with the EU and reiterated the openness of the industry in responding to the current challenges of the 3rd package.

The General Assembly was addressed by Dr. Burckhard Bergmann Vice President of Eurogas and Chairman of the Executive Board of E.ON Ruhrgas AG who presented his vision of a sustainable way forward for natural gas in Europe. President Dispenza expressed his appreciation on the unique contribution of Dr. Bergmann to security of supply policy and to the European energy scene.

Eurogas adopted a common position on Article 22 of the proposed directive on third party access and unbundling exemptions in the area of large projects of infrastructure investments. Eurogas endorsed the need for improvements to ensure a more harmonized approach to the current functioning of Art. 22 and welcomed the principle of a clearer procedure for handling cross-border projects by the Agency of European Regulators and a clearer timetable for the processing of the request of exemptions. Moreover the building of infrastructure, timing and operation should be addressed in a time scale to be proposed in each final decision but not in the directive. **Development of huge international infrastructure projects is complex and time consuming, facing a number of**

social, economic and administrative burdens. Therefore Eurogas stressed that each decision should be handled on a case by case basis.

Another major position dealt with the increase of powers of the national regulatory authorities, which should be guided by transparency, accountability and impact assessment rules. Eurogas also expressed detailed views on the proposed powers of the Commission to adopt guidelines on a wide range of subjects and the interaction of national regulators, the Agency for the cooperation of energy regulators, the Commission and the European network of transmission system operators for gas.

The General Assembly welcomed a European Commission (DG TREN) representative, Mr. Jean-Arnold Vinois, Head of Unit, who presented the Commission's view on the current energy legislative package. Mr. Vinois stressed the recent developments of the Gas Coordination Group in the context of global security of supply issues and the cooperation with the European industry.

A new membership request has been approved by the Eurogas Board meeting: South Hook Gas Company Ltd. joined Eurogas as a full corporate member. The principal operations of the company include LNG operation and gas supplies.

The presentations of President Dispenza and of Vice President Bergmann are available under

<http://www.eurogas.org/uploaded/DD%20-%20GA%20051207.pdf>

<http://www.eurogas.org/uploaded/Bergmann%20Eurogas%20GA%20051207.pdf>

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► Final Meeting of the High Level Group on Competitiveness Energy and the Environment

The High Level Group held its final meeting on 8 November 2007 under the chairmanship of EU Energy Commissioner Piebalgs. Eurogas was represented by the previous President Mr. Willy Bosmans and by the Secretary General Mr. Jean-Marie Devos. This was the final meeting over a period of two years work.

The fifth report *“Addressing both international action on climate change and better regulation”* was adopted after some discussions. Together with the four previous reports, the fifth report reflects the recommendations of the High Level Group to the Commission and other stakeholders. The report focuses on climate change issues and on better regulation principles. It contains specific requests to energy regulators and to the regulatory Energy Agency to apply such principles, notably concerning impact assessment and consultations. Though the High Level Group in its current form has achieved its work,

it has been generally agreed that the spirit of a “multi-stakeholders” dialogue on energy competitiveness and environment issues should be continued and monitored via a yearly meeting.

On the issue of CO₂ emission reductions, the industry generally expressed preferences for technology driven improvements and sector based approaches.

The work of the High Level Group was concluded by a high level conference *“Towards a Global Low Carbon Economy”* that took place on 27 November 2007 in Brussels. It has been organized under the form of three round tables. The first was on High Level Group legacy, challenges and vision; the second ‘compete to deploy’ was on the international framework for sustainable business and the last was on cooperation to deliver international framework for policy action on climate change.

► V International Forum “Russian Gas – 2007”

The Vth International Forum *“Russian Gas – 2007”* took place in Moscow and was organized by the Russian Gas Society on 20 November 2007. A Eurogas delegation attended the event and had a number of contacts with Russian colleagues.

The session entitled *“Modern trends in world natural gas market development”* gave Mr. Dispenza the

opportunity to present the European natural gas market and Eurogas views on its future development. In his presentation he stressed the need to preserve the competitiveness of natural gas. This presentation has been well echoed in the press and is available under

http://www.eurogas.org/uploaded/DD%20-%20RGF_20%2011%202007%20version%2014%2011%202007v7.pdf

► Eurogas Participation at the Gas Infrastructure Conference in Madrid

The Gas Infrastructure Europe annual conference took place from 22 to 23 November 2007 in Madrid. Ms. Margot Loudon, Deputy Secretary General of Eurogas attended this conference and chaired the session *“The supplier’s View: what will make Europe an attractive*

market?” This session covered several security of supply aspects considering Europe’s competition for gas supplies in a global market, ways to mention the European market’s attractiveness, as well as LNG developing supplies from the Middle East. It involved upper

management representatives of several companies. The other sessions focused on the third package of liberalisation of energy

markets, on recent developments in transparency and on the gas regional initiative.

► The EU Sector Social Dialogue for Gas Took Place on 15 November 2007 in Brussels

The second plenary meeting of the EU Sector dialogue committee took place on 15 November 2007 in Brussels in the Commission's building Berlaymont. This meeting gathered for the second time Eurogas social affairs representatives and the European Trade Union Federation delegations (EPSU and EMECF).

The social partners agreed on two joint declarations: a joint declaration of the Ecotec study on the impact of

liberalization of the gas and electricity markets on employment and the joint declaration on the framework agreement on harassment and violence at work which had been endorsed previously by the European Trade Unions Confederation, by the Confederation of European Business, by the European Association of Craft Small and Medium Sized Enterprises and finally by the European Centre of Enterprises.

► Industry Planning Committee Meeting of NATO

Eurogas was invited to speak at the NATO industry planning committee in Bucharest on 8-9 November. Ms. Simona Basiu represented the Secretary General of Eurogas. She gave an overview of the Eurogas organization, structure, membership and activities and presented the main challenges the European gas industry is facing today namely; security of supply, internal market and competitiveness and sustainability aspects. After outlining some economic figures on domestic production versus imports and

development trends in natural gas supplies in EU 27, she presented economic and institutional tools that can help in reaching security of supply. The role of the gas coordination group and the EU-Russia and EU Norway dialogue in which Eurogas is involved were also addressed. The presentation is available under

<http://www.eurogas.org/uploaded/SB%20-%20NATO%20-%20IPC%20-%20Bucharest%2009.11.07.pdf>

► Eurogas Participation at the "Mini Gas Forum" on 9 November 2007

The First "Mini Gas Forum" took place in Maribor on 9 November 2007. The Forum was organized in two sessions: a session on investments and a session on regulatory affairs. Ms. Emilie Marinova represented Eurogas on this occasion.

The session on investments addressed the results of a gasification study, developments of

some major investment projects and the Kyoto protocol. The session on regulatory issues addressed gas market descriptions in the region, the gas regional initiative of the Energy Community, the implementation of the community acquis, the status of implementation of the gas and security of supply directive in the region and issues related to customer focus.

► Eurogas Participation at the 2nd InterEnerStat Workshop

Eurogas participated at the 2nd InterEnerStat workshop that was organised by the International Energy Agency in Paris on 19-20 November 2007. Mr. Thomas Herkner, BDEW and Ms. Alessia Tanas represented Eurogas on this occasion. The workshop focused on the problems faced by the main international organisations and energy data providers when collecting statistics from their member countries.

The overall objective was to explore more ways to strengthen harmonisation and cooperation and to reduce the burden for countries and organisations when reporting

data. Over the last half decade this has become increasingly more difficult as a consequence of liberalization of energy markets and of the growing demand for data on greenhouse gas emissions, renewables and energy efficiency.

In his presentation Mr. Herkner presented the Eurogas Statistics Committee and Forecasting Task Force and focused on Eurogas views on how to develop further the harmonization of data collection.

The new InterEnerWebsite has been launched at this meeting
<http://www.iea.org/interenerstat/Index.htm>

► Eurogas Participation at the Czech Gas Conference

This conference was organized by the Czech Gas Union and took place in Prague on 6 and 7 November 2007. Mr. Jean Marie Devos Secretary General of Eurogas made a presentation on *"Shaping the future energy and gas market in a challenging global environment"* and highlighted issues related to the internal market, to the dialogue with extra EU suppliers and security of

supply and finally sustainability aspects, energy efficiency and the Kyoto protocol. He summarised the main elements of the legislative proposals launched by the European Commission in September 2007. His presentation is under

<http://www.eurogas.org/uploaded/JMD%20-%20Presentation%203rd%20package%20-%20Prague%20061107%20FINAL.pdf>

► Enlarged Eurogas Staff from 1 December 2007

Eurogas is pleased to announce the arrival of Mr. Peter Hohaus who has started at Eurogas on 1 December 2007 in his new function as Senior Manager Legal & Regulatory Affairs. Peter Hohaus is a qualified German lawyer with almost seven years experience in the Gas Industry. He worked in the legal department of E.ON Ruhrgas AG before, advising on German and European Energy Law. During this time he dealt with the development of all relevant European legislation and regulatory matters, including amongst others the Gas Market Directive, the Regulation on conditions for access to the natural gas transmission

networks and the Security of Gas Supply Directive. He was also involved in projects such as negotiating a storage joint venture and the Cooperation Agreement of the German Network Operators. Within his new function in the Eurogas Team, Peter Hohaus will monitor the further European regulatory and legislative developments impacting the internal energy market. He will advise the Secretary General and the Deputy Secretary General on these issues and he will support Eurogas and its Committees and task forces.

► **Publication of the Eurogas Annual Report 2006-2007**

Eurogas has published its new Annual report on the occasion of its second General Assembly of 2007. This document contains policy messages and gives information on Eurogas positions and activities in the EU energy policy area including activities on internal market, regulation, security of supply and external relations. An outline of the main activities of Eurogas committees and task forces is also provided. The second part of the annual report gives EU27 data on primary energy consumption, final energy consumption, inland

deliveries supplies, LNG imports and storage. Energy taxes data refer to the residential and commercial sector, to the industry and to the power sector. The last part of the annual report presents a recent study performed by the Forecasting Task Force of Eurogas: *"The Natural Gas Demand and Supply Long Term Outlook to 2030"*. The annual report is available on hard copy upon request to simona.basiu@eurogas.org or via the web.

<http://www.eurogas.org/uploaded/Eurogas%20long%20term%20outlook%20to%202030%20-%20final.pdf>

► **Future Eurogas Meetings and Events**

13.03.2008	Eurogas Board, Brussels
12.06.2008	Board, Leipzig
13.06.2008	General Assembly, Leipzig
25.09.2008	Eurogas Annual Policy Conference, Brussels
09.10.2008	Board, Brussels
04.12.2008	Board, Brussels
05.12.2007	General Assembly, Brussels