



Newsletter

► New President of Eurogas elected at General Assembly, 15 June in Bologna, Italy

The General Assembly of Eurogas took place on 15 June 2007 and elected Mr. Domenico Dispenza, COO, ENI S.p.A. - Gas & Power Division, as new President of Eurogas. The Assembly welcomed two new members to Eurogas, RWE Gas Midstream GmbH, Germany, and Union Fenosa Gas S.A., Spain. Union Fenosa Gas has joined as an associate member. RWE has joined as a full corporate member.

In his speech Mr. Dispenza, reasserted the importance of the full and timely implementation of the existing internal market legislation. He stressed the need for harmonisation of powers, and a clear definition of the competences of energy regulators. Improvements in regional cooperation among TSOs, and better use of existing interconnections and import capacity, were also underlined.

Security of supply of natural gas to Europe was another important issue addressed in his speech. Security of supply depends on four factors: on a consistent and balanced approach between the Internal Market and external dimension considerations; the need for major investments; the European dialogue with producers and

transit countries; and a stable regulatory and political framework. *"A continuous exchange of views and expertise between the main producers and suppliers to Europe is necessary for the benefit of both our security of supply and their perception of security of demand"*, he said.

On sustainability, Eurogas supports the European Commission's policy to meet climate change objectives through increased use of renewables, energy efficiency and emission reduction targets. Member States should be left sufficient flexibility in reaching targets and choosing their own supply mix. Mr. Dispenza underlined the environmental advantages of natural gas and its major contribution to the energy mix.

The General Assembly welcomed a European Commission (DG TREN) representative, Mr. Jean-Arnold Vinois, to present the Commission's view on the current Energy Package "An Energy Policy for Europe". The General Assembly was also addressed by Mr. Alfonso Gianni, State Secretary for Economic Development and Mr. Ugo Draetta, Professor of International Law at Cattolica University, Milan.

► II International Conference "Energy Dialogue Russia – The European Union: Gas Aspects"

The Russian Gas Society organised the II. International Conference on the Energy Dialogue between Russia and the European Union on Gas Aspects on 23 May 2007 in Berlin with the support of Eurogas.

The conference gathered high-level speakers from both Russian and European utilities, EU officials, national officials, representatives from international organisations, academics and the press. The audience was composed of around four hundred participants.

The conference was structured in three sessions. The first, chaired by Mr. Valery Yazev, President of the Russian Gas

Society and Chairman of the Energy Committee in the Duma, highlighted strategic directions in energy cooperation. Issues such as the resource potential of the EU-Russia Energy Dialogue and the legislative basis of the exploration of Russian mineral resources were debated. Mr. Jean-Marie Devos, took the opportunity to present to the audience Eurogas's answers to the Energy Package, and to outline the aspects of the future EU-Russia dialogue.

The second session looked at the European gas market and the cooperation between Russia and the EU at industry level. Mr Chelpanov (Deputy Director General of Gazprom export) talked about the strategic direction of



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Gazprom's activities in foreign markets. Several European utilities discussed the prospects for cooperation between the EU and Russia. Mr. Domenico Dispenza (COO, ENI Gas and Power) examined current industry challenges, Mr. Uwe Fip (Senior Vice President, E.ON Ruhrgas) introduced new forms of cooperation between gas producers and importers and finally Mr. Edouard Sauvage (Vice President, Gaz de France) addressed the gas companies' cooperation issues from the French point of view.

The last session gave the views of two other companies: VNG for the European side and TNK-BP on behalf of the Russian independent producers.

Mr. Cleutinx (Director of DG TREN and Coordinator of the Dialogue) introduced

the Commission's views on the future of the Energy Dialogue, while Mr. Van Hulst presented the latest results of the IEA Gas Report, indicating the need for more investment upstream.

The atmosphere at the Conference was generally very positive. The Participants clearly stated that the European and Russian industries continue to work together, notwithstanding the political context and media coverage. The impact in the press was very high after the conference.

The Russian Gas Society and Eurogas agreed joint conclusions for the Conference, which are available together with the presentations on http://www.eurogas.org/events_eurogasEvents.aspx

► High-Level Group on Competitiveness, Energy and the Environment

The second meeting of the High-Level group on competitiveness, energy and environment took place on 11 June 2007 in Brussels. Mr. Willy Bosmans, then President of Eurogas and Mr. Jean-Marie Devos, took part in the meeting. The main highlights were the 4th report: Sustainability and Competitiveness in a

Carbon and Resources Constrained World, focus on resource efficiency/climate change and international action on climate change, better regulation and competitiveness. The High-Level Group will organise a conference to take place on 27 November 2007.

► Eurogas Participation in the High-Level Workshop on "Completion of the Single European Market for Electricity and Gas – Striking the Balance between Competition and Energy Security"

This conference took place from 29 to 30 March 2007 in Berlin. It was organised by the Federal Ministry of Economics and Technology. The European Commissioner for Energy Mr. Andris Piebalgs gave a keynote speech. The first session "How can the right environment for adequate investment in generation and grid infrastructure be created in the internal market?" involved presentations both by gas and electricity Transmission System Operators (GIE, UCTE, ETSO) and the International Energy Agency.

The second session "How can competitive energy prices be achieved in

the internal market for European industry?" with EU Commissioner for Competition, Ms. Nellie Kroes, as keynote speaker involved presentations by industrial energy consumers (IFIEC) and by Eurelectric and Eurogas. Mr. Jean-Marie Devos, representing Eurogas, made a presentation on the contribution of the gas industry to the internal market and explained the external challenges in the global environment. The presentation is available at <http://www.eurogas.org/extRelations.aspx>

► Participation by Eurogas in the Gas Coordination Group Meeting (Security of Supply)

A meeting of the Gas Coordination Group took place on 19 April in Brussels. The Eurogas delegation was composed of Mr. Didier Sire, Gaz de France, Mr. Gerrit

Riemer, E.ON Ruhrgas, Mr. Jean-Marie Devos and Ms. Emilie Marinova, Eurogas. An important point on the agenda was the discussion on the common

understanding of the definition of major supply disruption. Other security of supply issues, such as the "Gas OPEC" and a discussion on the role of Russian supply in the years to come, were debated. Data collection on security of

gas supply issues and implementation of the Security of Supply Directive were also part of the agenda. The meeting ended with the Commission presenting the working paper on LNG as regards security of supply.

► Gas-pipe explosion in the Ukraine – European Commission consulted Eurogas

The European Commission consulted Eurogas on the possible consequences on security of gas supply for Europe after a blast affected the Russia – Europe transmission pipeline in Ukraine on Monday, 7 May. Information was rapidly gathered on basis of members'

inputs and reassurance could be given about the limited consequences at the event. Eurogas is a full member of the Gas Coordination Group which has been set up under the provisions of the Security of Supply Directive.

► Kick – off Meeting of the Sectoral Committee for Natural Gas

The first meeting of the EU Sectoral Committee for Natural Gas took place on 15 March in Brussels. The Committee involved the two social partners: Eurogas on one side, and EPSU and EMCEF, the Trade Union Federations, on the other. The practical organisation of the meeting and the Secretariat were provided by the European Commission services of the General Directorate "Employment". The Eurogas Secretariat was represented by Jean-Marie Devos, Secretary General, and Simona Basiu.

The Sectoral Committee elected Ms. Iffländer-Weber, Gaz de France, as Chairwoman, and Dr. Peter Gentes, RWE Transgas, Mr. Jean-François Renucci, EMCEF and Mr. Jan-Willem Goudriaan, EPSU Vice Chairmen of the Committee.

The Committee discussed and adopted the working programme for 2007-2008 which is composed of four items:

- Internal market for natural gas, EU energy policy issues, security of supply

and their social impact, including special attention to the situation in new EU Member States and in candidate countries.

- Ecotec study "Impact of liberalisation of gas and electricity markets on employment"

- Demographic development and impact on competencies and qualifications; professional mobility and recruitment policies, with special attention to be given to the development of employment in new and candidate EU Member States.

- Health and safety

The Committee was preceded by a meeting of the Social Affairs Committee of Eurogas which has been set up to support and prepare the work of the Sectoral Committee and to assist in the implementation of the working programme 2007/2008. The next plenary meeting will take place in Brussels on 15 November 2007.

► Baltic Gas – Basrec Regional Gas Information Meeting Session

This event took place in St. Petersburg from 27 to 29 March 2007. The meeting focused on energy-related climate and financing issues.

The aims of the conference were to identify sustainable solutions, to present a bottom-up and regional view on energy-related climate and financing topics, benchmarking work on climate

issues in the region, including the evaluation of the testing ground agreement, and the definition of further demand for regional action.

Ms. Margot Loudon, Deputy Secretary General, Eurogas attended this event. In her presentation "European Gas Policy Issues with Focus on the Northern Dimension and Baltic Sea Region", she

addressed issues relating to security of supply (external dimension, diversification of supplies and new pipeline projects), to market potential, to the internal market and to regulatory concerns. She also talked about Eurogas's general views on several policy drivers, including the EU Strategic Energy Review.

In conclusion, she mentioned Eurogas's views on the implications for the Northern Dimension and Baltic Sea regions of the mentioned EU policy paper. The presentation is available at <http://www.eurogas.org/extRelations.aspx>

► Meeting between Eurogas and Mr. Alejo Vidal-Quadras, Vice President European Parliament and Ms. Angelika Niebler, Chairwoman Industry, Research and Energy Committee

Mr. Jean-Marie Devos and Ms. Simona Basiu, Eurogas, met Mr. Alejo Vidal-Quadras on 25 June in Brussels. Mr. Vidal-Quadras is the rapporteur of the document "Prospects for the internal gas and electricity markets". He has kindly accepted to address the Eurogas Annual Policy Conference on 21 September.

Mr. Devos also met MEP Angelika Niebler, Chairwoman of the Industry, Research and Energy Committee on 10 May in Brussels. The purpose of these meetings was to introduce Eurogas and

its activities, and to explain Eurogas's views on the above-mentioned document, which is currently being debated in the European Parliament.

It is worth noting that the Parliament takes into account the differences between gas and electricity in the consultation on this document. Eurogas has provided a set of comments and amendments on the draft report of the Industry, Research and Energy Committee.

► Extraordinary Meeting of the Employers' Group of the European Economic and Social Committee

An extraordinary meeting of the Employers' Group of the European Economic and Social Committee on the challenges of EU security of energy supply for business took place on 3 April 2007, in Brussels. Simona Basiu, Eurogas, attended the meeting. The objective of the meeting was to organise a debate on the various options and concrete actions which should be undertaken to respond to the energy dependence of the European Union, to diversify the European energy mix and to promote the security and the competitiveness of the European energy supply.

Core questions were addressed, such as how European companies can facilitate the completion of an integrated EU energy market, and which concrete actions should be taken to ensure that an integrated EU energy market guarantees security of supply for European companies and for economic operators with solidarity between Member States. The employers' stance on the need to diversify energy sources, and the role of the EU in increasing R&D and innovation for a more sustainable, efficient and diverse energy mix, were also discussed.

► Eurogas at the 15th International Conference & Exhibition on Liquefied Natural Gas

This conference took place from 24 to 27 April 2007 in Barcelona. It addressed the challenges and opportunities of LNG, and new trends in export plants, but also debated subjects such as improving stakeholders' perception of LNG, market challenges, technical innovation for the future of LNG business, commercial aspects, projects, training and

sustainability. Ms. Emilie Marinova, Eurogas, and Mr. Pedro Moraleda, Chairman of the LNG working group of Eurogas, attended the conference.

Mr. Moraleda spoke on Eurogas's views on LNG. In his speech he described how LNG will increase in importance in Europe, and that it can offer an important way of diversifying Europe's

gas supplies. To underline the growing importance of LNG and the need to continue developing it, he added, "In a context of higher energy prices, the

maritime transportation distance and the associated costs are no longer necessarily the most important factors in determining where gas can flow".

► Energy Community Treaty – Mini Gas Forum Meeting

The Mini Gas Forum set up under the Energy Community Treaty held its meeting on 11 May in Vienna. This forum was organised by DG TREN and the Energy Community Secretariat, which has its offices in Vienna. The meeting was attended by Ms. Margot Loudon and Ms. Emilie Marinova, Eurogas. The main topics on the agenda were: the results of

a study on gasification, improvements in competition and the measures proposed by the European Commission in the third package, the role and tasks of the Energy Community Regulatory Board, views on the extension of the **acquis** objectives of the Community Treaty, and to refer to the expertise and contribution that Eurogas could offer.

► Parliamentary Conference – Developing the Energy Community in South East Europe

The European Energy Forum organised a Parliamentary Conference on the Development of the Energy Community on 24 and 25 May 2007 in Sofia, which was attended by Ms. Emilie Marinova. The Conference aimed to gather views from all stakeholders on the future development of the energy Community and above all, to underline the importance of the business in order to

succeed this initiative. Amongst the speakers were MEPs, Mr. Piebalgs and Mr. Barbato, Ministers from the Community countries as well as CEOs of utility companies active in the region. The presentations can be found on the web site:

<http://www.europeanenergyforum.eu/archives/european-energy-forum/security-of-supply-matters/sophia2007>

► Brussels Tax Forum 19 – 20 March 2007

The Brussels Tax Forum is the first initiative of this kind by DG TAXUD organised on 19 and 20 March. Ms. Emilie Marinova from the Secretariat, and representatives from the TAX Committee attended the Conference. The topic of the Conference was "Taxation for Sustainable Development". Amongst the speakers were the Commissioners for Environment and Taxation, academics, experts from the USA, Japan, China and Korea, and representatives from international

organisations and from national tax authorities. The input of the Conference will be used by the Commission in the drafting of its Green Paper on market-based instruments for environment and related policy purposes, published later this month. A video of the Conference can be found on the web site of DG TAXUD:

http://ec.europa.eu/taxation_customs/taxation/gen_info/tax_conferences/index_en.htm

► EU – Norway Workshop

The event took place on 1 June in Brussels. Ms. Margot Loudon represented Eurogas on this occasion.

The workshop covered subjects related to general policy perspectives and security of supply and demand and consumer perspectives, which were debated by Norwegian and EU representatives.

Ms. Loudon referred to Eurogas's views on the Strategic Energy Review with the

main focus on sustainability. She emphasised that it was time to restore a positive appreciation of the role of gas in contributing to climate change policy.

She also addressed issues on the internal market, with particular reference to Eurogas's views on improving market integration. To view the full presentation, go to the link: <http://www.eurogas.org/extRelations.aspx>

► European Parliament Conference “For an Efficient Internal Gas Market”

This conference took place on 6 June in Brussels. It was opened by Mr. Alejo Vidal-Quadras, Vice - President of the European Parliament and rapporteur on the prospects for the internal gas and electricity market. Ms. Margot Loudon, Deputy Secretary General, attended the event on behalf of Eurogas. A number of members were also present in the audience.

The debate on how to achieve an efficient internal market was illustrated by a series of presentations, including one by Didier Sire, Gaz de France. The geopolitics of gas and their effects on the energy internal market were illustrated by an example from the American energy system, and possible lessons to be learnt from that by Europe.

► Newly issued Eurogas Positions on Proposals on the internal market: Improved Market Integration

Eurogas has issued recently the following position papers:

- Position paper on proposals on the internal market: a strategy for a competitive, secure market
- Position paper on proposals on the internal market: improved market integration
- Position paper on the protection of vulnerable customers

- Position paper on sustainability and energy efficiency

- Guidelines for good regulatory practice.

The Eurogas position papers are available at:

http://www.eurogas.org/publications_positionPapers.aspx

► Eurogas meeting and events as of 29.06.07

14.06.2007 Eurogas Board – Bologna (Italy)

15.06.2007 Eurogas General Assembly – Bologna (Italy)

21.09.2007 Eurogas Annual Policy Conference - Brussels

10.10.2007 Eurogas Board – Brussels

04.12.2007 Eurogas Board – Brussels

05.12.2007 Eurogas General Assembly – Brussels