

► Eurogas Annual Conference – « 2007 – the Year of Critical Choices for Building a Competitive Sustainable Natural Gas Market », 21 September 2007

*Eurogas' initial reactions to the legislative package on energy*

The Eurogas Annual Policy Conference took place in Brussels on 21 September 2007 and presented Eurogas preliminary views on the third liberalization package launched by the European Commission on 19 September 2007.

This event was attended by around two hundred high ranking representatives of the European Institutions, Industry, International Organizations, Producing Countries, Customers and the Press. The highlights were on the progress made in the internal market, on a first assessment of the proposed "Third legislative package", on European company strategies and on partnerships with external producers. This conference was also the occasion for a large debate on investment issues, consumer protection, regulation and harmonization in the context of the legislative proposals launched by the Commission.



Photo from left to right: Eurogas President, Domenico Dispenza, EU Commissioner Andris Piebalgs and First Vice President of the European Parliament, Alejo Vidal Quadras

In his opening speech Mr. Domenico Dispenza, the President of Eurogas summarized Eurogas initial reactions to this package. Eurogas supports the Commission's aims to achieve a fully

functioning internal market. This requires:

- effective application of the current legislation
- non discriminatory access and system operation
- stable regulatory framework conducive to support investment needs for Europe's supplies
- improved regulatory process
- improved TSO co-operation
- the need for investments to secure supplies in Europe

Amongst the issues proposed by the Commission Eurogas supports the creation of the Agency for coordination and harmonisation of National Regulatory Authorities. It shows consideration for a pragmatic approach in respect of the existing structure. Such structure should have well defined powers, should be accountable and operate in full transparency.

Eurogas supports the constitution of the European Network for Transmission System Operators for Gas and agrees in principle with the proposed setting up of a more formal body of TSO's (GTE+). Improved cooperation between TSO's on their operations must deliver better services for gas suppliers who need to be consulted in order to maximise the quality and reliability of transport services.

On the question on unbundling Eurogas stresses the following:

- any solution must be implemented coherently and must be proportional
- ISO is a possible alternative to be studied
- other feasible solutions may exist

- better, well targeted regulation should be sought



Photo: participants at the Annual Conference

**The Eurogas President insisted that any future legislation should aim at a well functioning internal market and at preserving the ability of energy companies to become globally competitive, to invest and to determine their portfolios and their long term strategies. In this respect, Eurogas sees the need for EU external policy to support dialogue and partnership under a general umbrella of reciprocity with producing countries as a way to strengthen European security of supply. Eurogas welcomes the Commission's proposal in this respect.**

In the opening session, Commissioner Piebalgs introduced the issues reflected in the legislative proposals and called for a determined continuation of the liberalization process. In the following session Mr. Heinz Hilbrecht, Director DG TREN, developed the proposed measures of the third package and called for a close and effective cooperation between the Industry, the Member States and the Commission on security of supply issues. He welcomed the support of Eurogas to the EU Gas Coordination Group.

On the issue on the difference between gas and electricity Mr. Alejo Vidal Quadras, MEP, underlined the specificities of gas compared to electricity especially in the geopolitical field as most production is based outside the EU. He promised that these issues would be debated in the European Parliament in the coming months. In his conclusions he insisted on the fact that the EU institutions will continue working to reach agreement on the proposed package.

Other session speakers addressed key economic, regulatory and strategic challenges facing the natural gas industry. The presentations of this conference are available at [http://www.eurogas.org/events\\_eurogasEvents.aspx?ev=74](http://www.eurogas.org/events_eurogasEvents.aspx?ev=74)

## ► Eurogas Governing Board Meeting Discussed Legislative Proposals

The Board of Eurogas met in Rome on 10 October 2007 and reviewed the legislative proposals of the European Commission, with special attention to the amendments to the Gas Directive. The Board recognized the package as an area of priority. The Board agreed on the creation of three new Ad Hoc Task

Forces: "Governances" (and interface NRA-Agency-Commission); "Article 22 and exemptions" and "Non EU investments" and endorsed the work underway in the Committees, including on ways to improve regional markets.

## ► Eurogas President Meets EU Energy Commissioner

Mr. Domenico Dispenza, President of Eurogas and Mr. Jean-Marie Devos Secretary General met EU Commissioner Andris Piebalgs on 20 September 2007 in Brussels. This was the first occasion for the Commissioner and the new President to meet. Mr. Dispenza referred to key policy developments and recent trends, facts and figures of the natural gas

industry. The discussion on the EU policy questions concerned the dialogue EU-Russia and similar other dialogues with other producer countries, and also the internal market developments related to the Commission's energy package. Different aspects of the cooperation between Eurogas and the Commission were addressed. A future high level meeting was agreed in principle.

### ► First Debate on the 3rd Package at the European Parliament

The 3<sup>rd</sup> liberalization package of gas and electricity markets was presented by the European Commission to the Industry, Research and Energy Committee of the European Parliament on 2 October 2007. Simona Basiu, Eurogas, was present to note the first reactions of the Members of the Committee. Main questions addressed to the Commission by the

Members of the Parliament on this package concerned the future role of the agency of regulators, its structure and its decision making power, ownership unbundling - ISO and their impact on prices of energy, and the question of foreign ownership and capital in the EU energy sector.

### ► Fossil Fuels Forum

The Fossil Fuel Forum took place on 8 and 9 October 2007 in Berlin. Mr. Jean-Marie Devos and Ms. Emilie Marinova, represented the secretariat of Eurogas. The Forum is an initiative of the Commission DG TREN and brings together representatives of Member States, the Commission, the industry and other stakeholders. The Forum provides an important platform for discussing the continuously important

role to be played by fossil fuels. The sessions of this Forum have addressed, among other issues, climate change, how to strengthen EU's security of supply in fossil fuels, and the external dimension of the EU energy policy. This third topic was addressed on basis of a presentation by Mr. Devos. His presentation is available on <http://www.eurogas.org/uploaded/JMD%20-%20BFF%208-9.10.07.pdf>

### ► Gas Regulatory Forum of Madrid

The Thirteenth Gas Regulatory Forum took place on 16-17 October 2007 in Madrid. Eurogas was represented by Mr. Domenico Dispenza, President, Ms. Margot Loudon, Deputy Secretary General, Mr. Dieter Pfaff, Chairman of the Eurogas System Users Committee and Ms. Violaine Vignon, Gaz France. The main topics discussed were the new legislative proposal, regulation

1775/2005 on conditions for access to the natural gas transmission networks referring to the compliance monitoring report, interoperability, new investments under art. 22 of directive 2003/55, the gas regional initiatives and the standardised GIE information platforms. Eurogas presented its views on these issues. The Presentations are available <http://www.eurogas.org/extRelations.aspx>

### ► Eurogas Participation at Energy Community Events

A conference on investments organized by the Energy Community took place on the 28<sup>th</sup> of September 2007 in Athens. The Commission supported the initiative and announced the preparation for the December Council of a list of regional priority infrastructure projects.

On 18 October a conference on social issues in the context of the Energy Community took place in Vienna. The

Memorandum of Understanding on the Social Issues in the Context of the Energy Community was signed by the Contracting Parties on this occasion. Dr. Peter Gentges, Vice-Chairman of the Sector Social Dialogue Committee for natural gas presented the activities of the newly created sector social dialogue committee Eurogas/EPSU/EMCEF and of its joint working group. <http://www.eurogas.org/extRelations.aspx>

### ► EU Conference on Social Dialogue in Belgrade

The conference *"Building Capacity to Enhance Social Dialogue in the Western Balkan Countries"* took place on 19-20 October 2007 in Belgrade. This conference was organized by the European Commission, DG Employment, Social Affairs and Equal Opportunities.

Ms. Martina Iffländer-Weber, Chairwoman of the Sector Social Dialogue Committee for natural gas took part in the discussion panel "The Energy Community and Memorandum of Understanding".

► **Kick off Meetings of the EU-Russia Dialogue Thematic Groups**

Three joint EU-Russia groups “Market Development”, “Energy Strategies” and “Energy Efficiency” met in September 2007 in Moscow. These groups bring together industry experts under the umbrella of the EU-Russia Energy

Dialogue. Eurogas is represented in the three entities. The terms of reference of these groups have been attached to the Protocol of the EU-Russia Summit which took place on 26<sup>th</sup> of October 2007.

► **Tax Forum, Munich**

The Eighth Global Conference on Environmental Taxation took place in Munich from 18 to 20 October 2007. A

Eurogas delegation composed of members of the taxation committee participated at the event.

► **Eurogas Supports Officially the New International Energy Regulation Network (IERN)**

Eurogas has recently reinforced its cooperation with regulators and participated at the introductory meeting of the IERN. This project is managed by the Florence School of regulation. The platform's website is [www.iern.net](http://www.iern.net) gives

information on the world forum on energy regulation, regional associations, regulation by country, fact sheets with overview of gas/electricity sectors by country, training conference, research and finally publications.

► **Natural Gas Demand and Supply Long Term Outlook 2030**

Eurogas has recently published a study on natural demand and supply long term outlook to 2030. The document covers EU27 demand and supply outlook to 2030, an analysis of energy intensity in EU27, the evolution of share of natural

gas in PEC in EU27, natural gas demand outlook per sector, the demand increase by sector between 2005 and 2030, the EU27 supply/demand outlook and the EU27 import dependency from outside Europe.

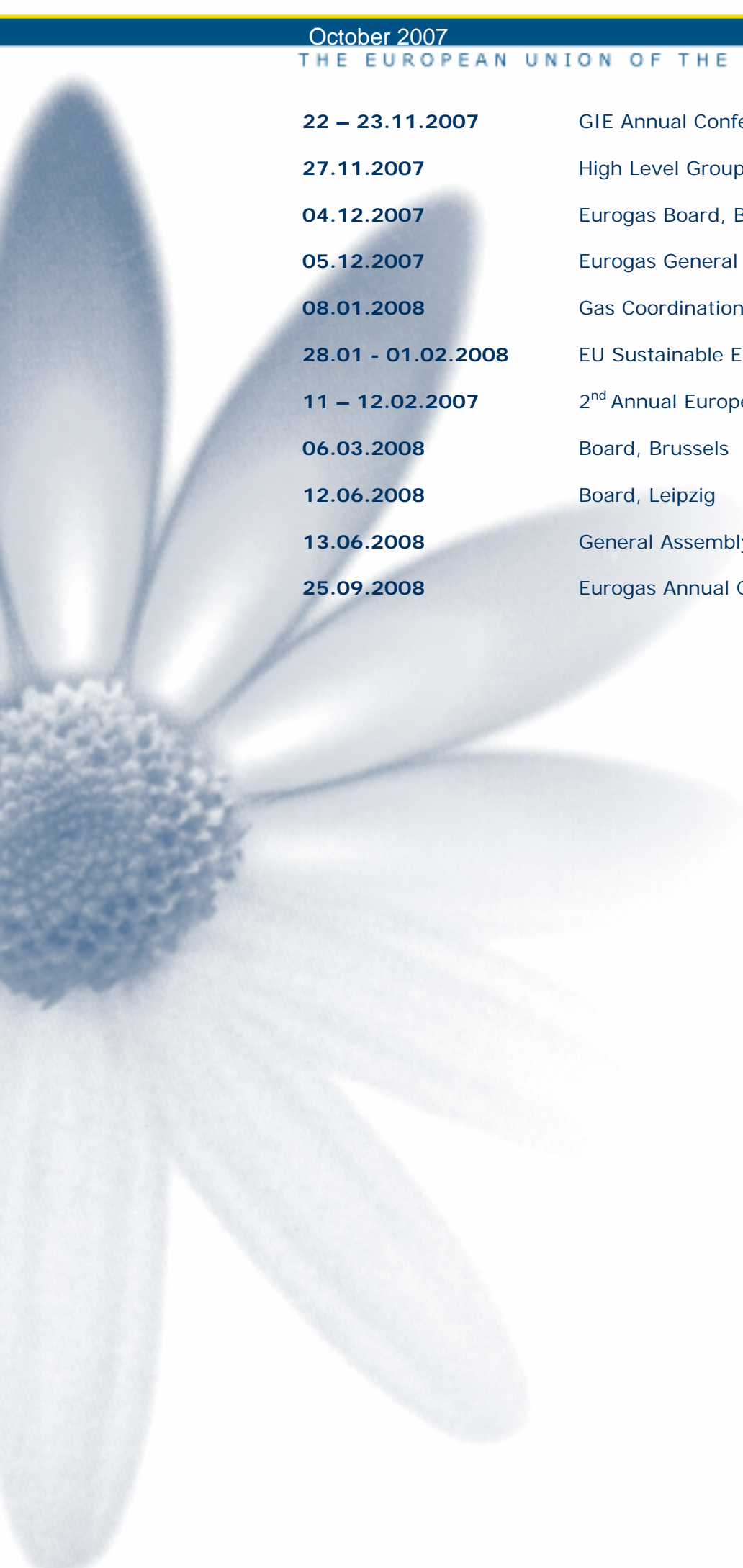
► **Eurogas Participation at the Gas Coordination Group**

The Gas Coordination Group took place on 25 October 2007 in Brussels. This meeting initially scheduled in December has been advanced to allow discussions on recent developments in gas supply in Europe with particular attention to the

coming winter. Mr. Arnaldo Orlandini, from the Forecasting Task Force of Eurogas presented figures from the recent Eurogas analysis on natural gas demand and supply outlook to 2030.

► **Selected Eurogas Meeting and Events as of 31.10.07**

<b>07 – 09.11.2007</b>	NATO - IPC Seminar, Bucharest
<b>08.11.2007</b>	High Level Group on Competitiveness, Brussels
<b>08.11.2007</b>	Energy Charter Conference, Vienna
<b>09.11.2007</b>	Mini Gas Forum, Maribor, Slovenia
<b>19 – 20.11.2007</b>	Second Interenerstat Workshop, Paris
<b>20.11.2007</b>	V International Gas Forum, Moscow Russian Gas Society



<b>22 – 23.11.2007</b>	GIE Annual Conference – Madrid
<b>27.11.2007</b>	High Level Group Conference, Brussels
<b>04.12.2007</b>	Eurogas Board, Brussels
<b>05.12.2007</b>	Eurogas General Assembly Brussels
<b>08.01.2008</b>	Gas Coordination Group, Brussels
<b>28.01 - 01.02.2008</b>	EU Sustainable Energy Week, Brussels
<b>11 – 12.02.2007</b>	2 <sup>nd</sup> Annual European Gas Storage Conference
<b>06.03.2008</b>	Board, Brussels
<b>12.06.2008</b>	Board, Leipzig
<b>13.06.2008</b>	General Assembly, Leipzig
<b>25.09.2008</b>	Eurogas Annual Conference, Brussels