

► Eurogas Annual Policy Conference

Eurogas organised its Annual Policy conference *"Which future for natural gas in a sustainable energy world? Looking at the Policy and Regulatory Challenges"* on 25 September in Brussels.

The conference was opened by the Secretary General of Eurogas who underlined the wish of the gas industry to communicate on key energy issues and to share the views of the organisation with all stakeholders. The President of Eurogas outlined Eurogas' views and pleaded for a strong partnership between industry and authorities.

Commenting on the "Second Strategic Energy Review", Mr.



Dispensa stressed that Eurogas shares with the authorities and the regulators the same objectives of achieving a diversified and secure energy supply but he underlined that

this should be achieved by a set of positive market oriented measures. Eurogas believes that security of supply lies in the long term commitments with producing areas and in the dialogues with producers. Reciprocity, protection of investments, third party access to infrastructure for new players in the producing countries should be the main lines of this dialogue. Mr. Bonifacio Garcia Porras, member of the Cabinet Piebalgs presented the views of the European Commission in respect of security of supply.

He was followed by Mr. Didier Houssin, IEA Director for markets and security who presented the IEA analysis of natural gas markets and energy policy challenges. Mr. Aleksey Starikov, Vice President of the Russian Gas Society presented views on the EU Russia energy cooperation and the role of natural gas. Mr. Vladimir Chizov, Russia's EU permanent representative in Brussels outlined Russian views on the need to build the new partnership agreement.

A first session of the conference dedicated to the internal market and to the new regulatory environment was chaired by Professor Jean-Marie Chevalier, Université Paris Dauphine. Mr. Heinz Hilbrecht, Director DG-TREN presented the Commission's view on recent critical aspects of the third energy package. Dr. Bernhard Reutersberg, Chairman of the Executive Board of E.ON Ruhrgas presented the views of his company with regard to the Commission's third package and underlined that though the *"goals are fully supported"* number of improvements were still needed. Mr. Geert Graaf, CEO Gastransport Services presented the views of the transmission system operators. Michael Gillis, Distrigas, spoke about the necessary balance between entrepreneurship and regulation. He mentioned that number of specific aspects proposed in the third energy package still require appropriate solutions as they will affect the good functioning and governance of energy companies and the investment climate. The session was completed by an academic view on regulatory aspects of the third energy package by Professor Pippo Ranci, Regulatory School of Florence.



Annual conference: session I pannelists

The second session chaired by Ms. Coby van der Linde from the Clingendael Institute focused on key challenges and opportunities in the development of major import infrastructures. Speakers and the audience reviewed key aspects

and challenges facing major gas projects, including regulatory and public acceptance. The sub-session focused on major transit pipelines like *Nabucco* by Mr. Martin Schwarzbichler, OMV, *Nord Stream* by Dr. Maartje van de Putten, Nord Stream Brussels representative, *South Stream* by Mr. Carlo Ricardo Meriggi, ENI Gas and Power and other important infrastructure projects like the interconnector between Italy and Greece by Mr. Elio Ruggeri, Edison and the Trans-Adriatic pipe by Mr. Markus Brokhof, EGL. Security of supply aspects via LNG was addressed by Mr. Antonio Basolas, Gas Natural.

The Euro-Arab Mashreq dialogue and the development of major gas interconnections were presented by Mr. Ahmed El Ashmawi, Ministry of Petroleum, Egypt.



The conference was closed by the session on the role of gas in a sustainable energy market. Mr. David Johnson gave Eurogas views on this issue. Mr. Stefan Singer, WWF spoke about the importance of natural gas as the cleanest fossil fuel in a sustainable energy mix. The session was moderated by Mr. Hervé Casterman director of the environment department of GDF SUEZ.

The presentations are available at http://www.eurogas.org/events_eurogasEvents.aspx. The next annual conference will take place on 1 October 2009.

► Eurogas Board meeting held in the context of the International Gas Union Research Conference

Eurogas held its Board meeting on 9 October in Paris hosted by the French Gas Association on the occasion of the International Gas Union conference on research. This was the first Board meeting with the new Board members elected at the General Assembly hosted by VNG in Leipzig last June.

In the first part of the meeting Mr. Domenico Dispenza, President of Eurogas outlined the reinforced role of the Board as a key policy driver for the organization. In the second part of the meeting the Board had an extensive debate on the aspects of the future role of the "Strategic Energy Review" which was introduced by the Chairman of the Strategy Committee. This review will

focus on security of supply aspects and external energy related issues. The Board endorsed recent trends concerning the gas retail market on basis of an introduction by the Chairman of the Supply and Markets Development Committee who announced that Eurogas will be represented in the "Citizens Forum" at the end of October in London. The Board adopted two Eurogas position papers: one on the "Green Package" and one on "Market Based Instruments". These are available under

<http://www.eurogas.org/uploaded/2008%20-%20Sep%20-%2008PP536%20-%20Position%20Paper%20-%20Developing%20Market%20Instruments%20at%20Regional%20Level.pdf>

and

<http://www.eurogas.org/uploaded/2008%20-%20Sep%20-%2008PP535%20-%20Position%20Paper%20in%20relation%20to%20the%20proposed%20Green%20Package.pdf>

► Gas Coordination Group Meeting

The Gas Coordination Group created under the provisions of the directive on security of supply (2004/67/EC) met on 18 September in Brussels. Eurogas Secretary General attended this meeting which gathered a number of representatives such as the European Commission, Member States and Industry. During this meeting the countries' reports on the status of implementation of the security of supply directive were presented by officials of Belgian, Luxembourg, Portuguese, Danish, Swedish and Romanian Member States. The Commission representatives announced that the communication on

the evaluation of the security of supply directive will be presented in the form of a Green Paper as part of the forthcoming Second Strategic Energy Review. Issues like EU simulation of an energy crisis and the regional approach were discussed. A simulation case of a possible Yamal pipeline disruption and its consequences of security of supply were also addressed. The next meeting is scheduled on 9 January 2009. Eurogas actively supports the work of the Gas Coordination Group and sees it as an important forum to discuss security of supply matters.

► Economic and Social Committee hearing on external dimension of EU Policy

The study group on the external dimension of EU's Energy Policy of the Economic and Social Committee took place on 1 October in Brussels. The meeting's agenda listed amongst many other topics key issues like EU energy security in general and the perspectives of energy cooperation between EU and Russia. Mr. Jean-Marie Devos, Eurogas

Secretary General gave a presentation on "*Security of Supply and external dimension of EU's Energy Policy: Achieving Common Voice – key challenges*". His presentation is available at

<http://www.eurogas.org/uploaded/JMD%20-%20EESC%2001.10.08.pdf>

► Eurogas participation at the Berlin Fossil Fuels Forum

The Berlin Fossil Fuels Forum met on 6 October 2008. The event is organised each year by the Commission and is hosted by the German Government. This year, a clear focus was given to the future Second Strategic Review and to security of supply aspects. The French

Presidency of the EU Council outlined its priorities, including on energy efficiency, oil and gas stocks, the diversification of gas sources and supply routes and a more focused approach of priority interconnections.

► Eurogas participation at the Second North-West Gas Regional Market Initiative workshop on transparency

Eurogas participated at the second 'North-West' workshop of the gas regional initiatives on transparency that took place in London on 10 July 2008. The main goal of this workshop was to discuss the progress of transparency in transmission in the North-West region.

The update on the implementation of the transparency work stream and on a presentation by Transmission System Operators representatives on new data available were addressed. Some examples of best practice in information release were given.

► European Commission workshop on gas storage

The European Commission DG TREN organised a workshop on natural gas storage which took place on 24 September in Brussels. Eurogas took part in this event. The purpose of this workshop was to present and discuss the preliminary results of a study on natural gas storage performed by the consultancy Ramboll. An overview of the natural gas storage market in the EU was presented and issues on security of supply were also debated.

Eurogas took this occasion to encourage investments in commercial storage for natural gas. Storage should not be seen as a "unique tool" to ensure security of supply as several differences exist between Member States including geological differences. Eurogas reluctance in regards to the concept of a "EU compulsory strategic storage" approach is largely shared. Eurogas supports the development of commercial storage.

► Joint Eurogas, GIE, IEA meeting on data collection on security of gas supply

On 28 July, Eurogas, Gas Infrastructure Europe and International Energy Agency representatives discussed the possibility of a future cooperation in data collection on security of gas supply. The International Energy Agency is willing to launch a "gas transparency initiative" with the aim of gathering data on gas

physical flows on a regular basis and through a harmonised approach. Data should be provided by national authorities and industries based in the EU27 area and in the IEA non EU countries. The two main targets of this initiative are to identify measures to secure supply in the long term and to

prevent shortage and major disruptions. The European Commission is already carrying out a similar exercise for the EU 27 area through its newly created Unit, Market Observatory for Energy.

Participants agreed to explore further steps for concrete collaboration between institutions.

► UNECE Liquefied Natural Gas study

Following the decision of the January 2008 session of the UNECE Working Group on gas, the first UNECE Liquefied natural gas (LNG) study group met on the 5 September in Madrid. Eurogas was represented by the Chairman of the LNG Task Force – Mr. Victor Tuñón and the Secretariat. During this meeting the participants discussed the possible

structure of the LNG study and expected contributions.

It was agreed that the final Report will be presented in the framework of a workshop on 19 January 2009 in Geneva. Eurogas will contribute to the drafting of the report with the support of the members of the LNG Task force.

<http://www.unece.org/energy/se/wpgas.html>

► Eurogas participation at the workshop “Natural gas in the East Baltic Sea area – a test case for planning and implementing the TEN-E priority projects”

The European Commission organised the workshop “*Natural gas in the East Baltic Sea Area – a test case for planning and implementation of TEN-E priority projects*”. This seminar which took place on 5 September in Brussels discussed various options to better connect the area with the European natural gas internal market grid. Eurogas was represented by its Secretary General and by its Senior Legal Manager. This event is part of an ongoing study initiated by the Commission and carried out by the consultancy Ramboll on “*TEN-Energy - Priority Corridors for Energy Transmission: Methodology for the*

selection and accelerated implementation of projects of European interest in preparation of the forthcoming revision of the TEN-E guidelines”.

The workshop addressed investment issues, competition, security of supply and transit in the East Baltic Sea. It also addressed natural gas projects in the region and ways to prioritise and balance objectives. Several important projects were presented: Baltic Interconnector, Nord Stream, Amber, Yamal-Europe and the Baltic Pipe. LNG and storage issues were also addressed.

► Eurogas participation at Energy Charter’s Industry Advisory Panel

This meeting took place on 1 October in Brussels under the Chairmanship of Mr. Howard Chase, BP. Eurogas was represented by its Secretary General and its Senior Economic Manager. The meeting’s agenda featured diverse items amongst which a presentation by BP of its statistical review of world energy 2008, a presentation on LNG in gas supply, demand and trade in the Atlantic and the Pacific basin.

The Energy Charter Secretariat also informed the members about the latest developments on the studies on underground gas storage as well as on carbon capture and storage (CCS). The next meeting of the IAP is scheduled on 28 November in Athens.

<http://www.encharter.org/index.php?id=23>

► Eurogas participation at the conference of the European Forum on Energy Security of Supply

The European Forum on Energy Security of supply organised a conference which took place on 2 October in Brussels. It discussed key security of supply issues in three sessions, one on *gas* and

security of supply, one on *nuclear power and security of supply* and the third on *recommendations on energy security*. Eurogas Secretary General made a presentation outlining recent facts and

figures, challenges of European gas industry, conditions for security of supply, market tools and company strategies.

The importance of international energy dialogues were recognized to be a clear and standing priority for the Union. EU Energy Commissioner Andris Piebalgs concluded this conference.

► Eurogas participation at the seminar "Current energetic challenges: European answers"

A seminar "Current Energetic Challenges: European Answers" took place in the Principality of Andorra on 2 October. It was organised by the Institute of Legal Economic and Financial Studies of Andorra that promotes training, research and dissemination activities in the legal, economic and financial fields with particular emphasis on international and EU dimensions.

Ms. Margot Loudon, Eurogas Deputy Secretary General, addressed issues related to the EU energy mix, the challenges of import dependency, instruments to secure supply and gave an overview of current supply and demand of natural gas and future trends. Her presentation is available at

<http://www.eurogas.org/uploaded/Andorra%2008-091008.pdf>

► Eurogas participation at the Gas Storage and Infrastructure Forum

Eurogas participated at a forum on gas storage and infrastructure that took place on 9-10 September 2008 in Vienna. This forum gathered experts from the gas industry to tackle key strategic and technical aspects of gas storage. The event addressed issues

related to the current storage market environment, planning, financing and engineering of new storage projects. It also dealt issues such as operations and organisation, regulatory developments, alternative gas storage and innovative technologies.

► IGU – Programme Committee - B Meeting

The third IGU – Programme Committee B (PGC B) meeting took place from 17 to 19 September in Kyoto. Ms. Margot Loudon, Deputy Secretary General participated at this meeting. In cooperation with two colleagues from FERC and the North American Standardization Board she presented the draft report on regulatory developments,

progress in standardization and their impact on the structure of the gas industry, now well on its way to being completed for the 2009 World Gas Conference. The Plenary also welcomed progress in the two other sections of the report, on gas price formation and trends and supply/demand forecasts.

► DEPA celebrates its 20th anniversary

The regional South-East Mediterranean gas cooperation was extensively discussed at the DEPA conference of 21 October. Greece and neighboring countries such as Turkey see a fast development of their gas market. Natural gas is growingly replacing more polluting energy sources such as lignite, a source of electricity production. Consumption of gas is expected to increase significantly by 2010.

countries. DEPA President Mr. Makis Papageorgiou opened the conference in presence of leading personalities from the industrial and political world. European but also American and Russian representatives underlined the role of DEPA as growing regional actor.

DEPA played a driving role in developing the gas market. Extensive cooperation has been developed with neighboring

Eurogas Secretary General reviewed the EU policy developments, including the third energy package issues and security of supply policies.

► Meetings and Events as of 28.10.2008

- 4 December 2008 – Brussels - Board meeting
- 5 December 2008 – Brussels – General Assembly/Strategic meeting
- 12 March 2009 – Brussels – Board meeting
- 14-15-16 May 2009 – Turkey – Board and General Assembly
- 1 October 2009 – Brussels – Annual Policy Conference
- 15 October 2009 – Brussels - Board meeting
- 2 December 2009 – Brussels - Board meeting
- 3 December 2009 – Brussels – General Assembly meeting

