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Newsletter

► **Fossil Fuels Forum, 19-20 October in Berlin**

Eurogas participated at the first Fossil Fuels Forum on 19-20 October 2005 in Berlin. The delegation was composed of Mr. Didier Sire, Vice President of Gaz de France, Mr. Wilfried Czernie, Senior General Manager, E.ON Ruhrgas, Mr. Anne Sypkens-Smit, Gasunie and the Mr. Jean-Marie Devos Eurogas Secretary General.

The Forum was opened by EU Energy Commissioner Mr. Andris Piebalgs, Mr. Dominique Ristori, DG TREN and Mr. Adamowitsch, German State Secretary.

The main purpose of this forum was to offer a sounding Board to the Commission on the debate on fossil fuels, which is open to industry and public stakeholders. Priority attention was given to continuous security of supply and to assessment of the role of fossil fuels in the energy mix.

Eurogas took this occasion to call for progress on the following subjects: European gas companies with critical mass to take the risks of long term

engagements, long term contracts and spot markets, stable regulatory environment supportive of new investments, dialogue with major producing areas, improvement of the functioning of the internal EU gas market and consistency between strategic, legislative and regulatory levels.

The Commissioner stressed that the Fossil Fuels Forum should help to shape the future energy strategy. He announced his intention to present a new Green Paper in the course of 2006 on secure, competitive and sustainable energy.

The forum should take place every year. The Commission will establish three sector groups, one on oil, one on gas and one on coal to support the process in between plenary sessions.

The Secretary General's presentation at the Berlin Forum can be viewed on www.eurogas.org

► **Sustainable Energy Forum, 13-14 October in Amsterdam**

The Sustainable Energy Forum took place on 13-14 October in Amsterdam. It has been set up on the models of the existing Florence

and Madrid Forum but focusing on sustainable energy especially renewables and energy efficiency. The audience was composed of

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around seventy persons including representatives of Member states, Commission officials, NGOs and energy associations. Eurogas was represented by the deputy Secretary General Ms. Margot Loudon.

Sustainable energy and energy efficiency are the flagship policies of the Energy Commissioner Piebalgs. The objective of the Sustainable Energy Forum is to exchange views

and to shape new ideas in the policy area on renewable energy sources (RES) and energy efficiency. This first meeting discussed policies to promote use of renewables and collected initial views on the Energy Efficiency Green Paper.

The forum will meet again after the consultation period on the Green Paper has ended in Spring, 2006.

► Eurogas General Assembly, 1 December 2005

Eurogas held its General Assembly at the Renaissance Hotel Brussels on 1 December in presence of its member companies and federations.

This meeting date coincided with the presentation by the Commission to the EU Council of the 2005 Progress Report on the functioning of the internal gas and electricity markets and of the report of DG Competition inquiry. Members of Eurogas discussed these two important preliminary reports and their contents during their meeting.

Eurogas members agreed that the evaluation of the gas market should take account of the global nature of the natural gas business. The growing dependency on other production areas is an important factor. Therefore it is very important that the needed competition within the European internal market should take this into consideration. The members agreed that the dialogue with the EU in this field should be pursued as well as the encouragement of the completion of the internal energy market and of the EU wide fair and transparent competition while meeting the challenge of the increasingly global nature of the natural business.

This General Assembly endorsed the Board's recommendation to enlarge its membership officially with two new members, **the Russian Gas Society** and **GERG** raising the total number of members to thirty four.

GERG, 'The European Gas Research Group' is the representative body coordinating R/D projects relevant to the natural gas industry. GERG will join as an "Association" member.

The Russian Gas Society represents the vast majority of gas companies in Russia including GAZPROM and independent companies and becomes "Associate" member of Eurogas. The Russian Gas Society will cooperate with Eurogas in events such as conferences and joint workshops. Exchange of information will take place regularly in the economic, legal and regulatory fields.

The policy session as the second part of the General Assembly addressed key policy areas and future Eurogas activities mainly in the field of strategic developments of the global and EU gas markets including issues relating to the use of infrastructure and systems and questions relating to

supply and development of the gas market. The General Assembly also welcomed the visit of Ian Cronshaw, Head of the International Energy Agency's Energy Diversification Division who talked about the supply scenarios and the role of natural gas with a focus on the Middle East and North African regions.

The next General Assembly will be held next 23 June in Bratislava, Slovak Republic and will be organized jointly with the Eurogas member SPP - The Slovak Gas Industry.

► The IEA Hosted a World Conference on Statistics on 22-23 November in Paris

Ms. Marinova, Economic Counsellor of Eurogas participated at the first meeting of the *inter-secretariat working group on energy statistics* which was hosted by the IEA in Paris on 22-23 November 2005. This forum was established following a recommendation of the *United Nation' Ad-Hoc Energy Group* meeting last May in order to create a platform to coordinate international activities on energy statistics issues.

Twenty-four major regional and international organizations, either collecting or using energy statistics were present, from the World Bank, Eurostat, AFREC (African Energy Commission), FAO (Food and Agriculture Organization), IAEA (International Atomic Energy Agency), The World Energy Council etc to Brussels based industry organizations like Eurelectric and of course Eurogas.

The increasing significance of energy worldwide requires relevant statistics, a task challenged by the liberalisation and globalisation processes faced by the industry. In

this context, the objective of the meeting was twofold: to share experience and to explore avenues of further cooperation. The organizations agreed that concerns and problems include low awareness and commitment at the political level, insufficient resources and expertise as well as the need for more harmonization and co-operation. Moreover, it was noted that energy statistics are confronted with confidentiality requirements, completeness, decreasing quality issues, timeliness, more estimation and increasing technical differences. On the basis of these observations, areas of improvement and possible cooperation have been identified in the fields of; harmonization of definitions and methodologies, preparation of a standard manual, joint training, extension of country coverage, quality control and many others.

In the conclusions of the meeting and in order to ensure an effective follow-up it has been decided to convene the forum every year.

► ERGEG Customer Focus Group Workshop, 11 October in Helsinki

The Customer Focus group of ERGEG held a workshop on 11th of October

to present three benchmarking reports (Customer Switching,

Customer Protection and Price Transparency) and to exchange views on these related issues. Eurogas was represented by the Deputy Secretary General Ms. Margot Loudon and by Mr. David Johnson, Chairman of the Supply and Market Development Committee of Eurogas. The European Commission, Eurelectric, GEODE, CEDEC, BEUC, UK Energywatch, Academics and some companies were present.

Eurogas explained its work in the area of customer switching and broad principles of approach. It affirmed that according to our organization, there is no need for an imposed European system if a national system is working well. The use of harmonized modules would be however interesting to consider if

there was a need for reviewing areas which require improvement. Regarding problems in customer switching, it should be first determined if they occurred because of the process itself or due to another factor.

ERGEG referred to the fact that it plans the edition of a guidebook of definitions to include a definition of customers switching. The next steps will be to prepare best practice proposals on customer protection, switching and price transparency, by the end of the year with a view to public consultation in the first quarter of 2006, to be finalized during the second quarter. The deadline for implementation is July 2007.

► Publication of Eurogas Annual Report 2004-2005

The Eurogas annual report has just been published on the occasion of its General Assembly on 1st December 2005. It provides an overview of Eurogas activities and of the state of natural gas industry in the EU, including key data and statistics. It outlines the contribution of the European industry to the EU Energy

Internal Market and the challenges enhanced by security of supply in the global natural gas scene. The publication can be consulted on our website at www.eurogas.org. Paper copies are also available upon request.

► Key Events 2006

23.03.2006 – Eurogas Board – Brussels, Eurogas offices

08.05.2006 – Eurogas – Baltic Conference – Vilnius

“The Baltic natural gas market within the EU internal market”.

22.06.2006 - Eurogas Board – Bratislava

23.06.2006 – Eurogas General Assembly – Bratislava

21.09.2006 – Eurogas Board – Brussels, Eurogas offices

22.09.2006 – Eurogas Annual conference - Brussels