



Security of gas supply in the EU

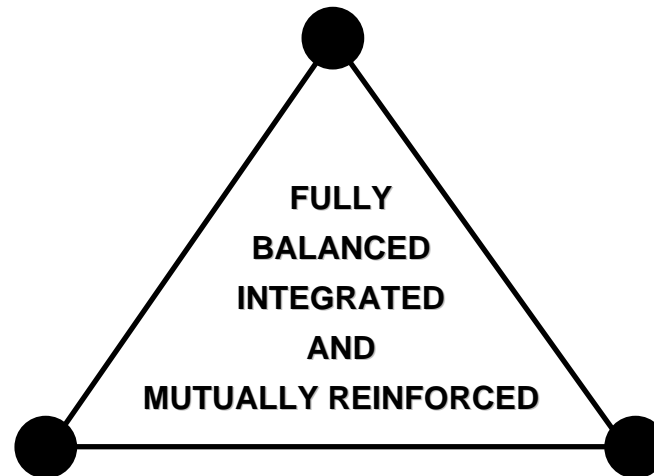
Jean-Arnold Vinois
European Commission- DG Transport & Energy
Head of the unit « Energy Policy and Security of
Supply »

Russian Gas in Europe Conference
Batory Foundation
Warsaw – 26th June 2008



● Triple challenge

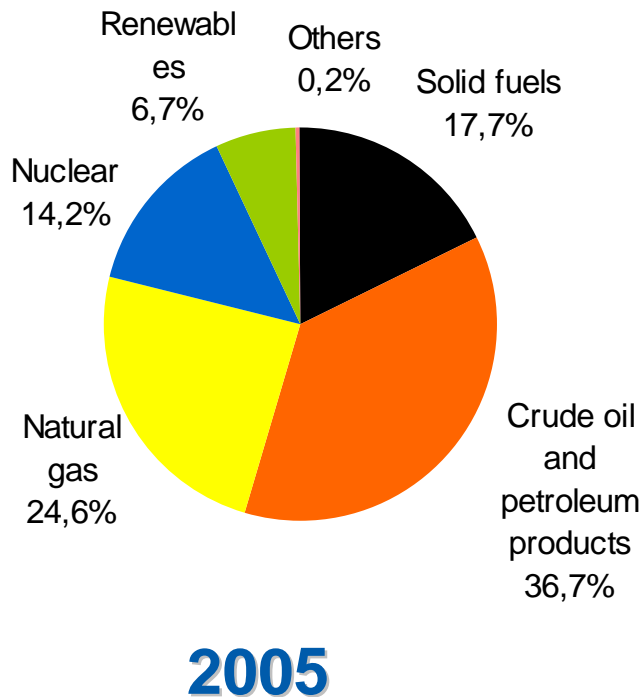
Competitiveness



Sustainable Development

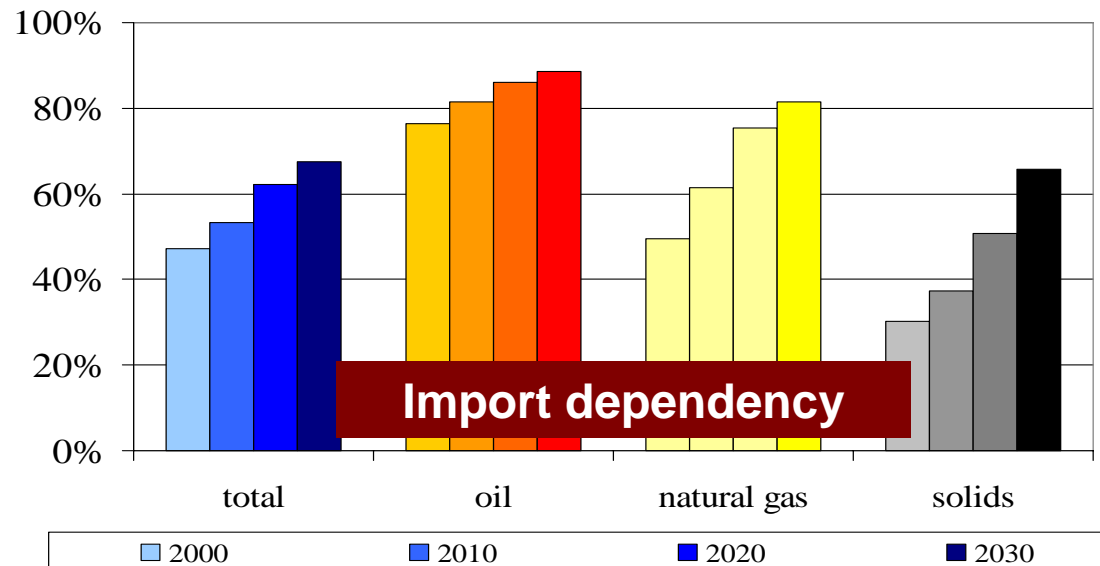
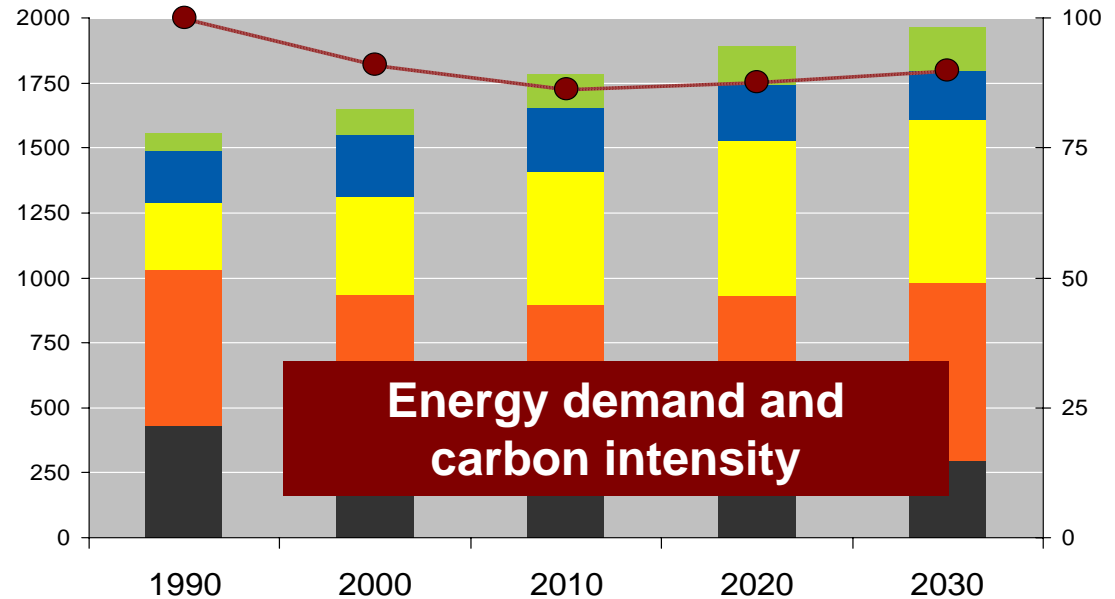
Security of supply

The EU energy mix: Business as usual is not sustainable

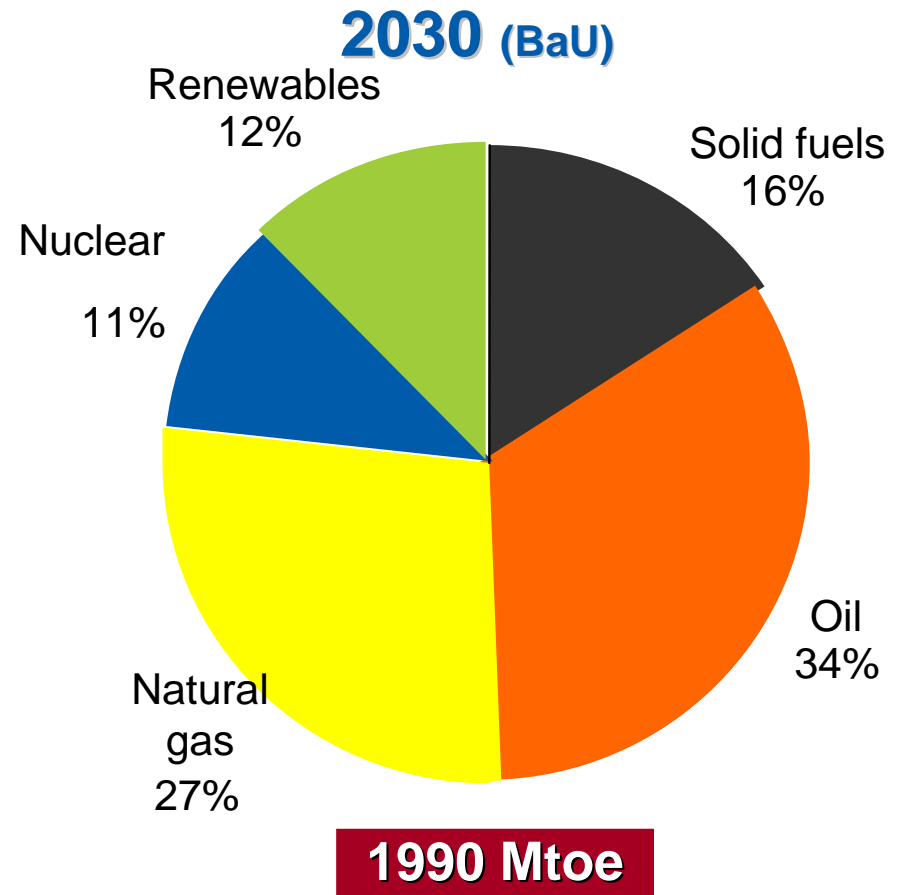
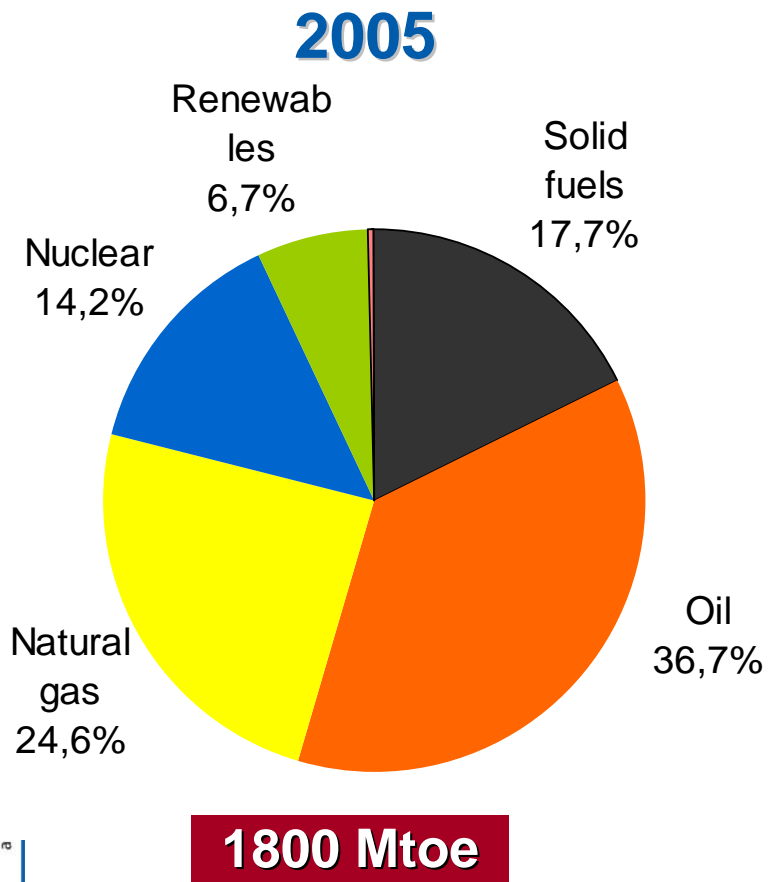


~ 80% fossil fuel

Source: EUROSTAT



The EU energy mix



● **Strategic European Energy Review – Jan '07**



ENERGY FOR A CHANGING WORLD

ENERGY POLICY

THE KEY DRIVERS 3x20% by 2020

By 2020 -20% **EU GHG**

By 2020 +20% **EFFICIENCY**

By 2020 binding 20% **RENEWABLES** in final energy consumption at EU level

BIO-FUELS

Min 10%
binding

ELECTRICITY

MS binding
choice

**HEATING &
COOLING**

MS binding
choice

NATIONAL TARGETS & ACTION PLANS

● State of play

September
2007 - IEM



- Nuclear
- Energy efficiency

November 2007
– SET Plan



January 2008 –
Climate and
renewables package



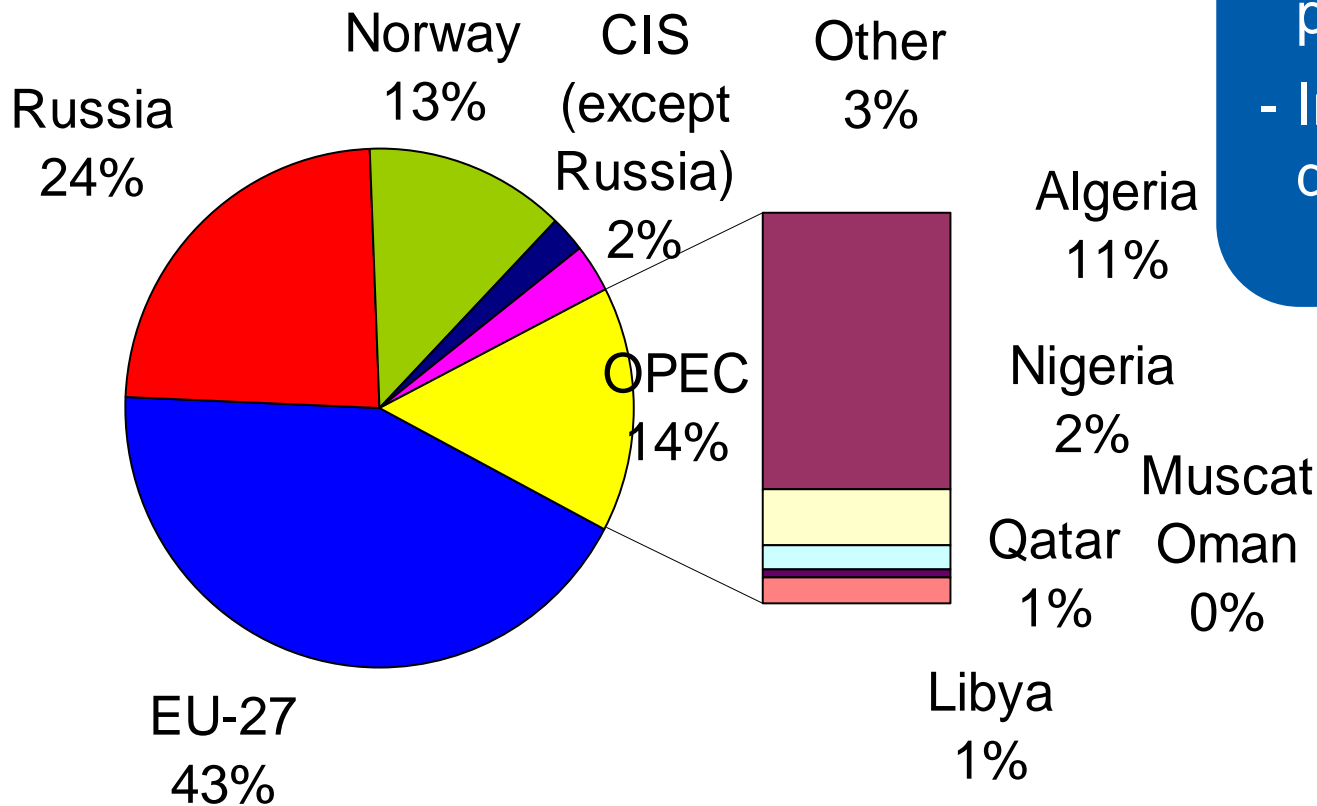
2nd Strategic Energy Review

- March 2007 European Council invites Commission to prepare an **updated strategic review**, with a view to new Energy Action Plan from 2010 onwards
- March 2008 European Council indicates that the **2nd Strategic Review** should focus on **security of supply** and **external energy relations**
- Adoption by Commission – late October 2008



Security of gas supply

● EU-27 ORIGIN OF GAS



- decreasing EU27 production
- Increasing import dependency



● Security of gas supply: long-term

- Completion of internal market
- Demand management (20-20-20)
- Network planning
 - » Interconnectors and capacities
 - » Import capacities
 - » Diversification of routes and sources
- Indigenous production
- External energy policy

Demand management

Business as usual

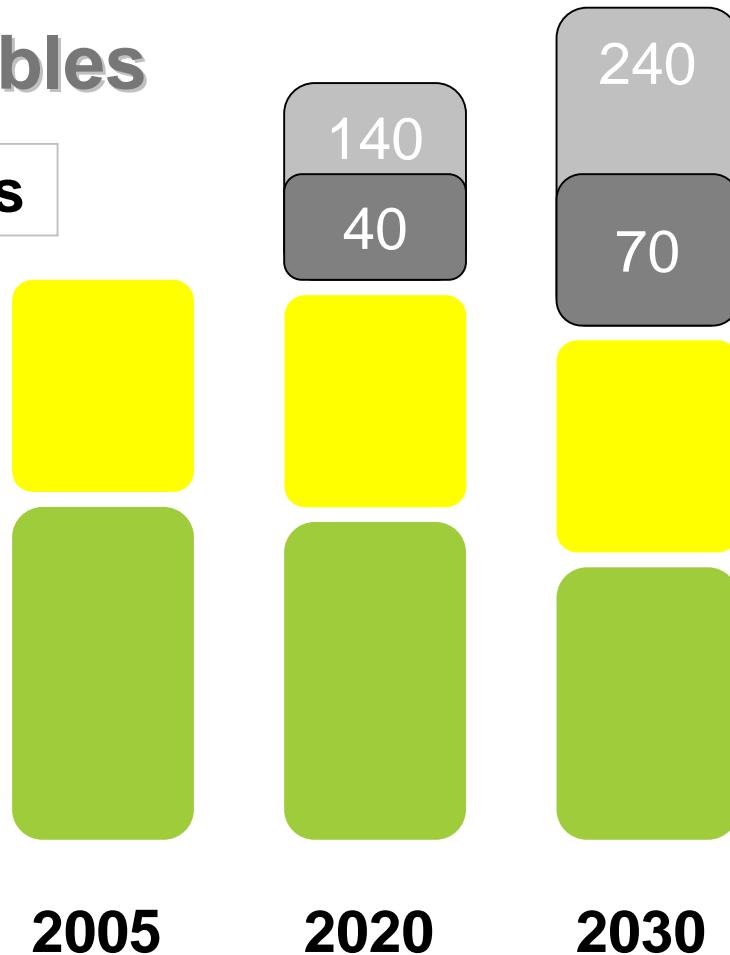
Efficiency & renewables

Additional import needs

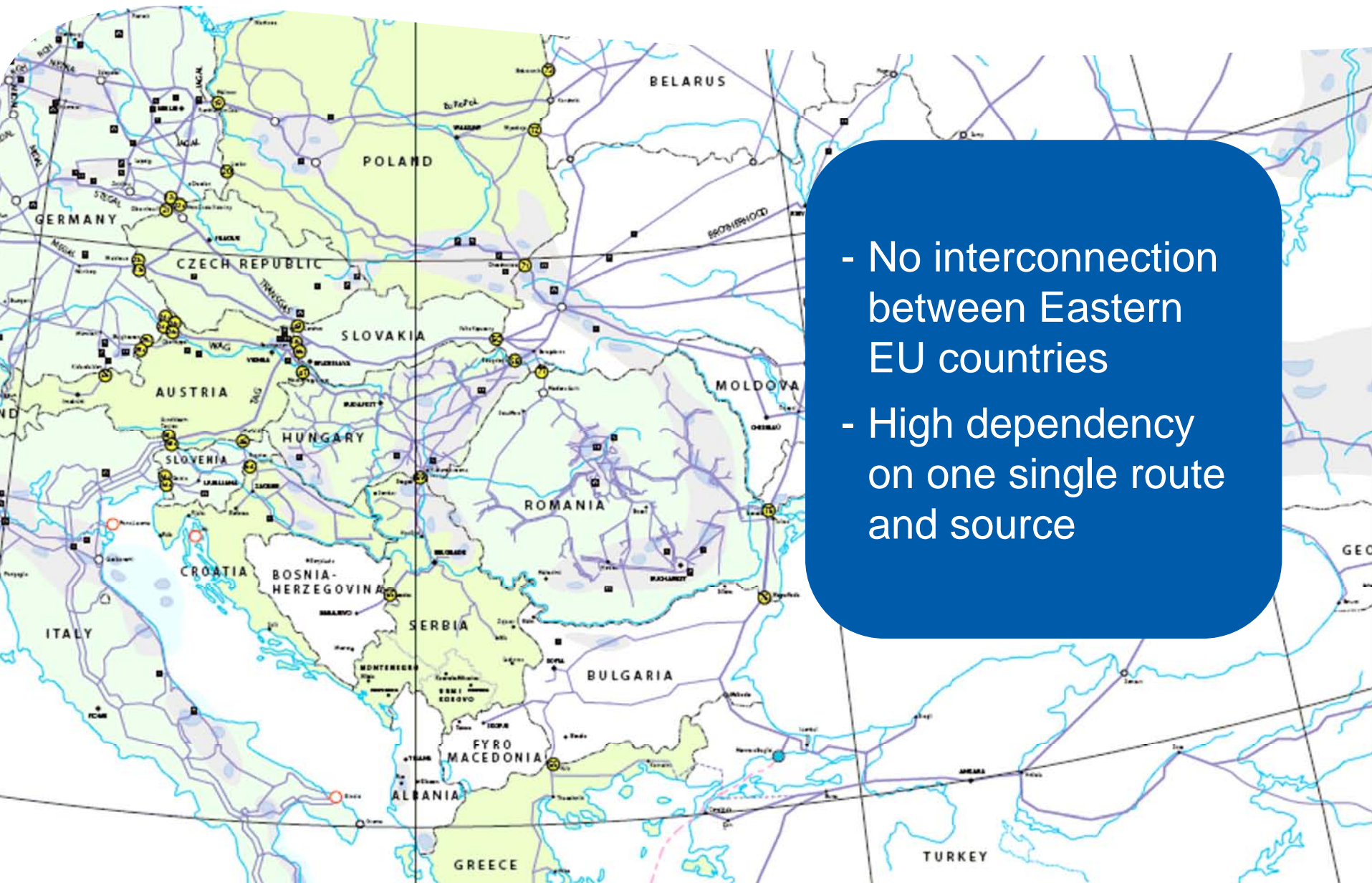
Current Import from third countries

EEA

bcm

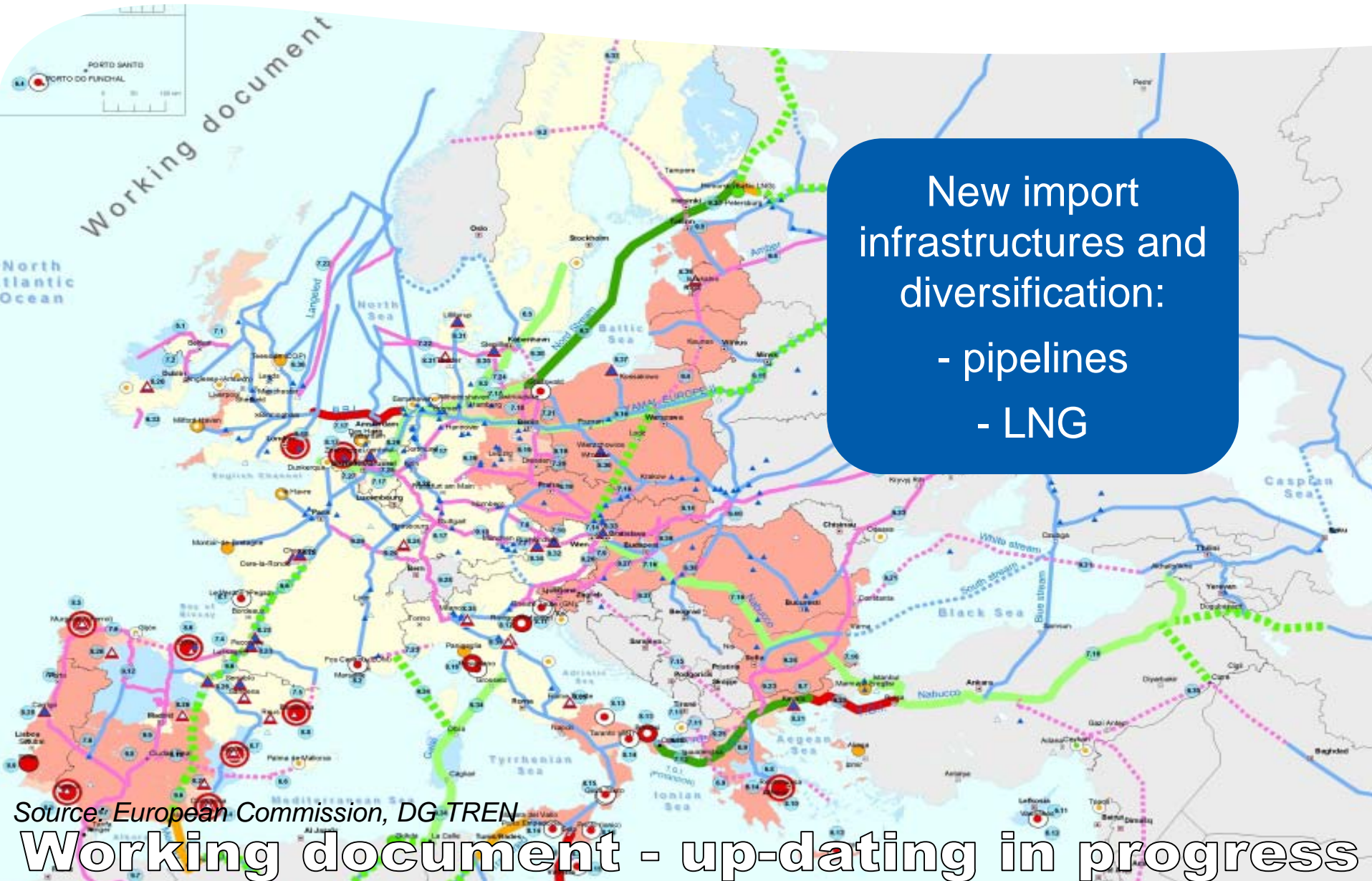


European gas transmission networks



- No interconnection between Eastern EU countries
- High dependency on one single route and source

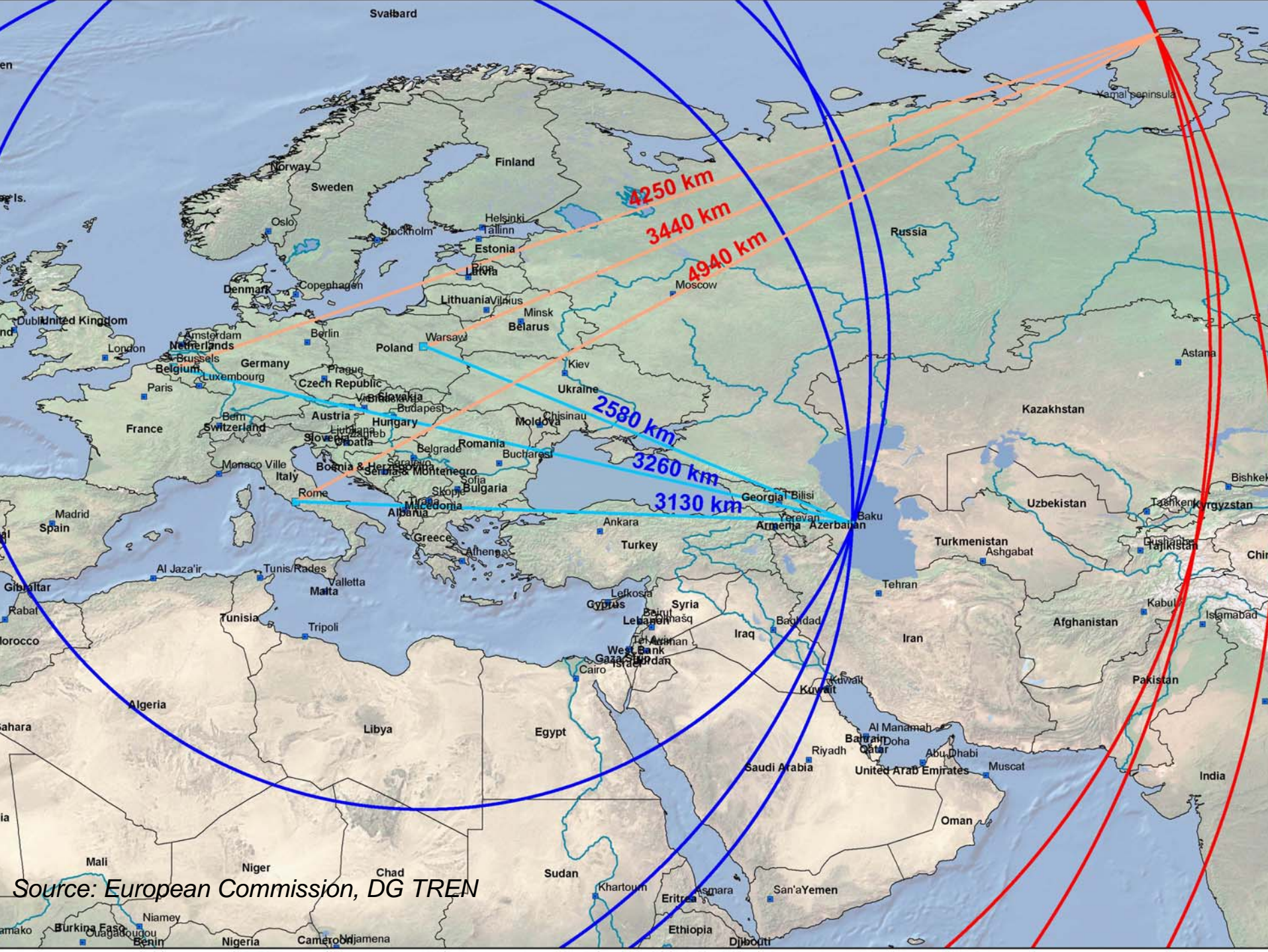
European gas transmission networks



New import infrastructures and diversification:
- pipelines
- LNG

Source: European Commission, DG-TREN

Working document - up-dating in progress



Source: European Commission, DG TREN

● **External energy policy: a common voice**



● **Security of gas supply: short-term**

- **Flexibility** within the market to react timely and effectively to supply challenges
- **Directive on Gas supply security (2004/67)**
Three levels of intervention:
 - » Industry first
 - » National measures second
 - » Community coordination if needed

● **Solidarity cooperation in the 3rd Internal Energy Market package**

- In proposed IEM Gas Directive
- Member States should cooperate in order to promote **regional and bilateral solidarity mechanisms**
- Cooperation intended to cover situations which are likely to result in **severe disruptions** of gas supply
- Examples of this coordination are
 - » **streamlining of national measures** to deal with emergencies
 - » elaboration of **practical modalities for mutual assistance**
- Shall not serve as excuse not to invest in security of supply infrastructure e.g. storage



Up-coming

Second Strategic Energy Review

October 2008

● **Second Strategic Energy Review – Outline**

- Complement the Energy Policy 2007 by focusing on **Security of Supply** (of all fuels and electricity)
- Green paper on **energy infrastructure** (TEN-E)
- Proposal to amend **directive on oil stocks**
- Communication on Security of gas supply
 - » Evaluation report of directive 2004/67
 - » **Gas Storage** in the EU – is there a need for a common approach on **gas stocks**?
- Development of **indigenous production**
- Definition of the **external energy policy**

Green Paper on European Energy Networks

- To include oil and CO2 infrastructures in addition to gas, electricity and olefins.
- Contributions from various studies:
 - » Methodologies to select projects of European Interest
 - » Gas storage
 - » LNG development
- Experience gained from the work of TEN-E European Coordinators (eg on Southern gas corridor and Nabucco)

Gas Storage

- Study by the Commission – timing: July 2008

Objective:

To provide a comprehensive picture of the gas storage situation throughout the EU

- » Assessing **cost and availability** of existing and planned gas storage in the EU, in each member state and along main pipelines
- » Overview of **access rules and ownership**
- » Experience of countries with **strategic stocks**
- » Recommendation on **common approach**

● Evaluation report of the Security of Supply directive working.

“The Commission shall, in the light of the manner in which Member States have implemented this Directive, report on the effectiveness of the instruments used and their effect on the internal gas market and on the evolution of competition on the internal gas market”

- Assessment of the implementation with focus on:
 - » Roles and responsibilities of market players,
 - » SoS standards and instruments,
 - » Major Supply Disruption indicator,
 - » Gas Coordination Group role.



THANK YOU FOR YOUR ATTENTION

INFORMATION & DOCUMENTATION

<http://ec.europa.eu/energy/>