Energy Transition: A Multifaceted Challenge for Europe

2nd Symposium: Securing gas supply within an integrated European market – A strategy subject to many uncertainties

23rd June 2015, 9:00 to 13:00, Press Club Brussels Europe

Main points from the presentation of Anders Marvik (Vice-President EU Affairs, Statoil) in **Session 1: Why is a clear strategy for gas currently difficult to implement in the EU?**

- EU doesn't have a gas strategy, but a LNG/gas storage strategy will be decided on in 2015 and we hope it is comprehensive
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- The reasons why the EU gas market have been suffering over the past few years are due to

  a) the low carbon price, MSR is a step in the right direction but we need further reforms, looking to alternatives like EPS, as we need to see higher prices for fuel switching, investments into low carbon technology

  b) Lack of completion of the EU internal energy market, leading to energy islands, monopolistic markets in supply and retail, less competition,

  c) Lack of implementation of energy reforms in member states. Both b) and c) leads to less choice and higher prices to consumers

  d) Conflicting policy signals:

    - Gas diversification strategy vs. focus on reduced gas demand
    - ETS as main policy tool vs. low ETS price assumptions by the Commission
    - Many projects of common interest vs. the need to prioritize projects
    - New gas supply needs vs. focus on reducing gas import bill
    - Focus on gas prices vs. the increasing role of higher taxes and tariffs

- Positives
  - EU has all the tools it needs to solve both ET and Internal energy market, best of all: EU28 has already agreed to this by law
  - EU is surrounded by gas for decades to come, and is today more diversified than ever before
  - The energy union concepts and the fact that energy is one of the top 3 priorities of the Juncker commission gives political directions and strength
  - Gas can deliver on all of the three elements of the energy /climate triangle of security – sustainability – competitiveness

- Final question: How can EU create an attractive investment climate for gas (and other energy sources), to stay competitive in the global competition for investments and energy flows?