

Energy Transition: A Multifaceted Challenge for Europe

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

Eurogas main points: 23 June 2015

Energy Union context

- Customer centric aspect, recognising consumers' needs for affordable, safe and secure energy.
- Empowering the customer to shape the market and play a role in its transition, through choices of suppliers, energy forms, and technologies.
- Emphases on supply security is an important dimension. A well-functioning market and supply security are complementary objectives. When the market is not functioning, there may be justification for tailored intervention to improve security, but this should be limited, not cause undue market distortion, and there should be an exit strategy.
- The wholesale market is beginning to deliver results. More needs to be done to improve the interface between the wholesale and retail markets.

Actions

- (1) Implement fully the Third Energy package, removing market barriers and improving cross-border cooperation.
 - Finalise the Codes – ACER should monitor their implementation.
 - Quick wins are possible, but political commitment to achieving the internal market is an essential prerequisite.
 - There is scope for examining a wider role for ACER, but premature to say whether this requires changes in their governance.
- (2) More infrastructure to meet market needs and security of supply objectives but
 - use of existing infrastructure has to be optimised, to ensure the correct market signals are given for incremental build;
 - the EU can facilitate a more investment friendly climate by ensuring that the EU offers an attractive market for gas suppliers, that it is perceived as a well-functioning market in which gas plays an important role in the energy mix.

(3) The energy transition will require an integrated energy market approach.

- Sort out the electricity market problems.
- Build complementarity into electricity and gas markets, through policy and technical frameworks.
- Avoid picking winners and technologies in market design, but ask what will deliver the most affordable energy to customers.
- Do not “demonise” imports (or suppliers). Companies should have the possibility to source supply portfolios taking opportunities in the global market.

(A) Trust the market to deliver supply security.

(B) Trust the companies and their entrepreneurship to meet supply needs in cost-efficient ways in a competitive market.

(C) Take account of the evidence that gas should keep an important role in meeting the Energy Union objectives of a sustainable, customer-oriented, market.