

Future role of gas

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euro gas

**natural gas,
energy for
the 21 st century**

*Natural gas is the cleanest and most efficient fossil fuel.
It is the second largest source of energy
for the European Union, currently meeting
more than 20% of primary energy needs.
This is expected to increase to 27% by 2010,
because of the many advantages natural gas
has as a fuel.
The 19th and 20th centuries were dominated
by coal and oil. The 21st century could see
natural gas emerge as the fuel of choice
making an even more significant contribution
to meeting Europe's changing energy
requirements and environmental objectives.*

**Will gas be allowed to build a natural highway to
a low-carbon energy future?**

What has gas to offer ?

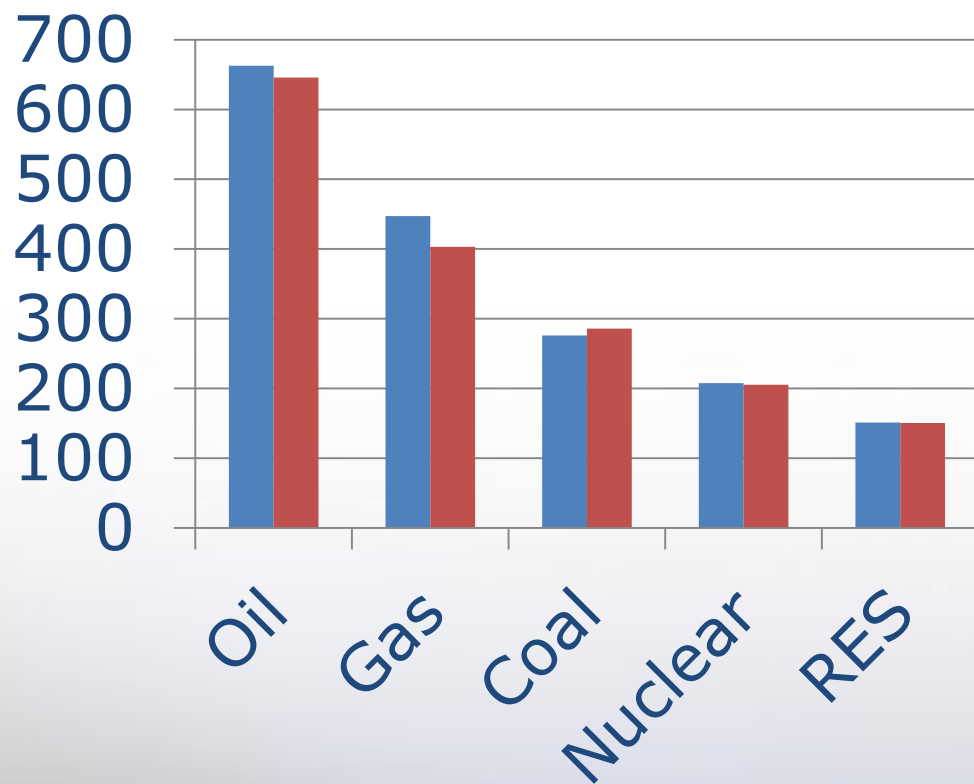
- **Emits 50% less CO₂ than coal**
- **At half the capital cost per kW***
- **Even with CCS***
- **A flexible backup to renewables**
- **Efficient technology is ready and cost-effective**
- **In the power, industry, residential and transport sectors**



* Source: IEA - Golden Age of Gas

And the winner is ... coal !

mtoe ■ 2010 ■ 2011



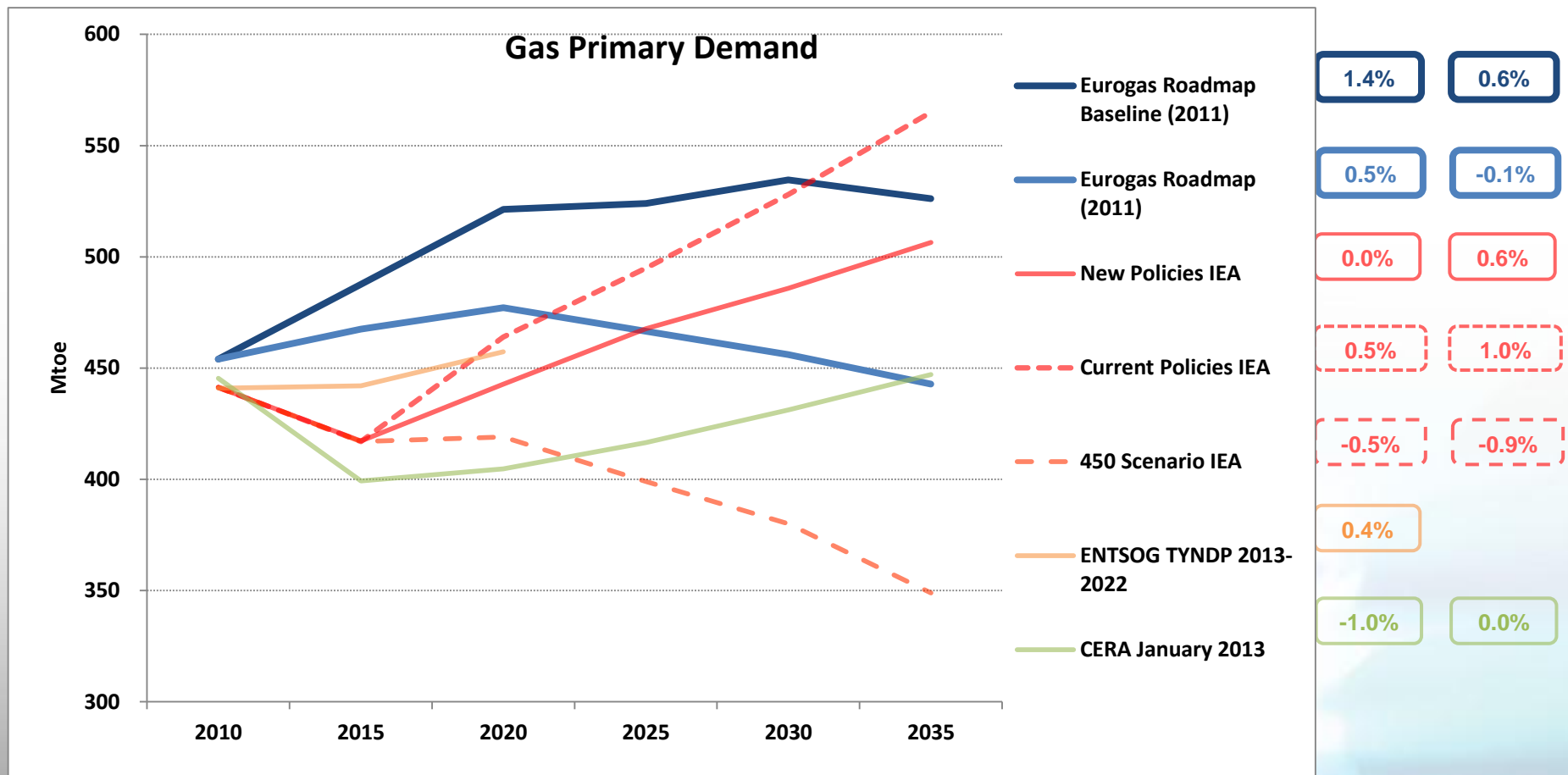
Coal up 4% 😊 ↑

Gas down 10% ☹️ ↓

Primary energy demand in the EU

Data: BP

Total natural gas demand Comparisons



Challenges to market role of gas

- **Global ↔ local developments**

Way forward

- **Economic recovery ↔ legislative and regulatory framework**

What is needed if gas is to play its essential role in the energy mix

- **A robust gas market to attract gas supplies to Europe**
- **Harmonised implementation of the 3rd energy package + fair energy trading rules**
- **A technology neutral approach**
- **A greenhouse gas reduction objective as the main driver for low-carbon investment**
- **An effective Emissions Trading System**
- **Subsidies that are targeted + clearly limited in time**

Summary of key messages

- **Gas can and should contribute to a low carbon economy**
- **Gas offers a fast and efficient way to reduce CO₂ emissions**
- **Gas is the ideal partner for renewables**
- **Gas has an important continuing role to offer in the household sector and transport, including maritime**
- **European policy should acknowledge and confirm the role of gas, thus sending political signals for a stable long-term investment**

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