

European Union – Gulf Cooperation Council Energy Experts Group

Concept document on Natural gas

1. Context.

Energy is a key area in EU-GCC relations and of strategic interest for both regions. Improving cooperation in the energy sector between the two regions is therefore a key objective and this has been reflected in the establishment of the EU-GCC energy experts group in the framework of the EU-GCC Cooperation Agreement in May 1991.

The GCC countries together have important reserves of natural gas while the EU is a large integrated gas market importing much of its consumption. This offers significant opportunities for improving cooperation between the two regions in the natural gas sector and scope for possible projects of common interest bearing in mind the possibilities for linking the natural gas markets of the two regions. There is clearly an important scope for further developing trade in natural gas, including through development of adequate infrastructures.

Therefore, on the occasion of the Energy Experts Group meeting on 25 February 2009, it was decided that a working sub-group on natural gas trade between the two regions will be created. This decision was endorsed by the EU-GCC Joint Council and Ministerial meeting held in April 2009 in Muscat.

2. Objectives of the working sub-group on natural gas trade between the two regions.

The objective of the EEG work will be to exchange information on natural gas supply and demand in the EU and GCC and identify the scope for development of gas export potential of GCC countries towards the European Union. The EEG will also examine the relevant regulatory, legislative, infrastructure and research aspects and will identify the possibilities for development of projects of mutual interest between the EU and GCC in the field of natural gas.

3. Topics for cooperation.

a. Natural gas trade. Exchange of information on gas supply and demand:

- EU gas demand and supply scenarios (short and medium term);
- EU natural gas policy and investment, trading and supply opportunities for GCC countries in the EU;
- GCC gas production, consumption and export scenarios (short and medium term), domestic gas policy and pricing.

b. Regulatory issues:

- General principles of internal market: free movement of goods, freedom of establishment and freedom to provide services;
- General rules for the organisation of the sector: public service obligations, measures to protect vulnerable customers, etc.
- Unbundling: transmission, distribution and underground storage activities;

- Third party access (TPA): to underground storage, LNG facilities and transmission and distribution network. Third party access based on objective, transparent and non discriminatory conditions;
- Market opening and promotion of regional integration and cooperation: cross border interconnection and harmonisation of technical rules.
- Role of Regulatory Authorities at national level and at regional/EU level.

c. Network infrastructure:

- Construction of infrastructures for transmission, distribution, underground storages and interconnection capacity.
- LNG infrastructures.
- Inter-regional connections.

d. Research and innovation in exploration, production and transport of natural gas. Potential for cooperation between the EU and GCC.

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Concept document on Energy Efficiency

1. Context.

Energy is a key area in EU-GCC relations and of strategic interest for both regions. Improving cooperation in the energy sector between the two regions is therefore an important objective and this has been reflected in the establishment of the EU-GCC energy experts group in the framework of the EU-GCC Cooperation Agreement in February 1989.

In the context of the growing energy consumption in both regions and sharing the common goal of tackling the challenge of climate change, the EU and the GCC have both identified energy efficiency as a one of the main areas to be further developed. The EU has committed to achieving 20% energy savings in its overall energy consumption by 2020. To achieve this objective, the EU has adopted legislation and a series of measures. These instruments continue to be further developed. The GCC is also taking steps in this direction. There is a wide scope for possible synergies and joint activities of mutual interest that could be developed through closer cooperation in this area between the EU and GCC.

Therefore, the Energy Experts Group meeting decided to enhance cooperation on Energy Efficiency issues by organising meetings and launching common studies with the following objectives:

2. Objectives of the EU-GCC EEG work on energy efficiency measures.

The objective of the EEG on energy efficiency will be to discuss, consult and exchange information and best practices on energy efficiency in GCC countries and the European Union. This will include policy and technology aspects and will explore the possibilities for joint projects and activities in this area.

3. Topics for cooperation.

The EEG could address the following areas of possible cooperation:

a. Policy objectives: target setting for energy savings and development of measurements methodology.

b. Regulatory framework: Measures to be addressed could include, among others:

- energy labelling;
- energy performance of buildings;
- the promotion of cogeneration based on a useful heat demand in the internal energy market;
- eco-design and
- energy end-use efficiency and energy services.

c. Energy Efficiency Action Plans

- in the EU (at EU level, the European Energy Efficiency Action Plan, and at the level of each Member State the 27 National Energy Efficiency Action Plans)

- in the GCC.

d. Additional policy instruments:

- financing energy efficiency;
- provision of information;
- networks and programmes (e.g. in the EU: Covenant of Mayors, Sustainable Energy Europe, Build-Up, Intelligent Energy - Europe)
- international cooperation (e.g. IPEEC).