



EIP - Financing Energy Infrastructure

Jean Claude DEPAIL
GIE President

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Financing & regulatory framework

- **A sound investment climate and a stable regulatory framework**
 - are prerequisites for the development of gas infrastructure
 - help the market to take long term commitments
- **Need to deal with regulatory issues before financing issue**
 - Improvement of financial tools inefficient with inadequate regulation
- **An adequate regulatory framework should**
 - Provide incentives and long-term stability
 - Be clear and consistent with the longer-term policy perspectives
 - Include cross border approach from regulators
 - Take into account higher risk for cross-border investments (complexity and length of the projects),

Financing & investment decisions

- **The main issue remains how to trigger investments**
 - Market players more and more focused on short term
 - Gas infrastructure are long term investments
- **Ways to facilitate investment decisions**
 - Long term commitments in the booking of capacities (through clarity, stability and visibility in the market) to limit risk for infrastructure
 - Reward higher risk through premium rate of return in regulatory framework for specific investments ;
 - Other incentivizing measures : shortened amortizing period, anticipated start-up date, reward higher benefits for community...
 - No short term focus in regulatory framework on cost reduction.

New financing instruments

- **Priority should be given to market-based projects,**
- **Public finance limited for specific projects which would be justified from security of supply / solidarity perspective**
- **Providing cheaper financing helps but is not the key solution**
 - Help to take some investment decisions but not enough in particular if cannot compensate lack of long term commitments or high level of risk
 - In addition, efficiency of new tools closely linked to regulation framework
- **EU funding or EIB loans should not be a remedy for inadequate regulatory framework**



Thank you for your kind attention