



Oil and Gas Producers (OGP) Europe

Green Paper
A European Strategy for
Sustainable, Competitive and Secure Energy

Madrid, May 18, 2006

The EU Green Paper – six priority areas...

- **Competitiveness and the internal energy market**
- **Solidarity between Member States**
- **Towards a more sustainable and diverse energy mix**
- **An integrated approach to tackle climate change**
- **A European technology plan**
- **Toward a coherent external energy policy**

The EU Green Paper - I

- **Energy for growth and jobs in Europe –
Completing the internal European gas market**
 - **OGP fully supports creation of a competitive single gas market**
 - **Role of indigenous resources**
 - **Interoperability – a precondition**
 - **Coherent regulatory framework - fragmentation**
 - **Long term contracts – help manage risk – contribute to security of supply**
 - **Full implementation of existing regulation – before contemplating further measures**

The EU Green Paper - II

- **An internal market that guarantees security of supply:
Solidarity between Member States**
 - **OGP welcomes transparency through observatory**
 - **Security of installations**
 - **Emergency gas storage – expensive, is there a need?**

The EU Green Paper - III

- **Tackling security and competitiveness of energy supply: Towards a more sustainable and diverse energy mix**
 - **Energy mix to be left to market forces - within the strategies determined by each MS**
 - **Support for balanced portfolio with diverse sources and transportation routes**
 - **A level playing field among energy sources to be maintained**

The EU Green Paper - IV

- **An integrated approach to tackling climate change**
 - **Only a strategy including all major countries will be able to address climate change**
 - **Long-term clarity about the post-2012 regime is needed**
 - **OGP supports bringing renewables closer to market – however a level playing field must be respected**
 - **Portfolio of options is needed to manage risk of climate change – CCS is an important option**

The EU Green Paper - V

- **A European technology plan**
 - **Does it reflect the continued importance of oil and gas?**
 - **Hydrocarbon R&D is needed to optimize existing and to develop new resources**
 - **Increasing recovery rates**
 - **Unconventional oil and gas**
 - **Using fossil fuels more intelligently – decarbonisation and CO2 management**

The EU Green Paper - VI

- **Toward a coherent external energy policy**
- **OGP supports:**
 - **Policy on securing and diversifying supplies – however:**
 - **Projects to be based on market signals**
 - **Regulatory provisions to promote - not hinder investments**
 - **Developing a pan-European Energy Community**
 - **Dialogue with producers / consumers**
 - **Integrating energy into external policies**

... and Europe is well positioned

...but it needs

- Supply diversification
- Contractual flexibility
- Regulatory stability
- Improving market efficiency
 - Interoperability
- Dialogue with producing countries

