

01.A. Gas in the future EU energy mix the contribution of gas to a low-carbon energy sector

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The future of gas in the EU is in our suppliers' hands

- Natural gas will always remain an important energy source because of heating and nearly constant consumption and usage of gas in the industrial sector.
- But, without globally competitive prices, gas consumption can only decrease
 - **gas intensive industries** will not survive if the price difference with key competing regions remains as today
 - Even most efficient CHPs, squeezed by high gas- and low electricity prices have to shut down in favour of separated boilers.
 - **gas-fired power plants** will only be used as flexibility tool and run a limited number of hours (high peak demand and low intermittent RES-E generation)
 - Gas development in **transportation** requires much more visibility than today
- Artificially increasing the carbon price to favor gas vs coal is no solution
 - It would only encourage our suppliers not to move

But the EU must act to convince our suppliers to move

- All possible levers must be activated as quickly as possible
 - diversification of supply sources (more LNG terminals & pipe connections, etc.)
 - implementation of the Internal Gas Market and acceleration of reverse flow capabilities
 - more storage capacity
 - legal procedures whenever relevant against market abuse from dominant players
 - keep shale gas option open
- There is room for a win-win deal with our most competitive suppliers
 - Shale gas developments will happen in most consuming regions
 - The oil price may also come under pressure
 - The size of the EU market will remain significant and could become bigger if gas is to be developed in transportation
 - We need suppliers willing to develop a real partnership with the EU