LNG and gas storage – important contributors to the **SECURITY** of gas supply

**EU strategy for LNG and storage**

Eastern Partnership
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Energy security, solidarity and trust

- Security of gas supply
- Comprehensive LNG strategy
- Intergovernmental Agreements
- Alternative suppliers: Southern Gas Corridor and Mediterranean

Diversification

ENERGY UNION STRATEGY

- Energy security, solidarity and trust
- Decarbonising the economy
- A fully integrated energy market
- Research, Innovation and Competitiveness
- Energy Efficiency first
Projection: stable gas imports under a 2030 scenario (bcm)

- Slower but continued downward trend in EU gas domestic production
- Small decrease in gas consumption - compared to today's levels - until 2040, before more significant decrease

Stable gas imports until 2040

Source: PRIMES (EUCO30 scenario)
(40% GHG emission reductions, 27% RES and 30% EE in 2030)
Gas consumption decreased in second quarter

- Gas consumption seems to stabilize, long-term decreasing trend remains
  - 8% decrease in Q2 2018 year-on-year

- EU production decreased further
  - 12% compared to a year ago

- Imports were 3% higher than a year earlier (Q2)
  - Russian supplies remained the main source of EU imports
LNG's share stands at 14% of EU gas imports in Q2 2018

- Qatar remains the main supplier
- EU LNG imports continue to show a counter-seasonal behaviour
LNG and storage: important tools for diversification, flexibility and security of supply

(1) Complete the internal energy market and ensure access to liquid regional gas hubs

(2) Promote transparent and liquid global LNG markets
Complete the internal market

Ensure access to liquid regional gas hubs

- Focus on key missing infrastructure
- Fully implement the Third Energy Package
- Explore if further barriers exist

Promote transparent and liquid global LNG markets
Ensure stable regulatory framework

Ensure access to liquid regional gas hubs

- Focus on key missing infrastructure
- Fully implement the Third Energy Package
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Promote transparent and liquid global LNG markets

Studies on barriers to LNG entry

- No pan-EU barriers but country-specific

Tackle remaining barriers in certain regions:

- Eliminate export / import restrictions
- Improve gas trading environment
- Create a regional market in the Baltics

Tariff network codes approved:

- Allowed discount for storage and LNG import terminals
International cooperation on key aspects

Ensure access to liquid regional gas hubs
- Focus on key missing infrastructure
- Fully implement the Third Energy Package
- Explore if further barriers exist

Promote transparent and liquid global LNG markets

• LNG part of EU energy dialogues with supplier and consumer countries
• Memorandum of Cooperation with Japan
• Follow-up: Global action on LNG 2020 – 2022
• EU-US cooperation on LNG
Our climate and energy objectives are inseparable: gas can play a role

- In the short- to mid-term: replacing more polluting fuels (oil, coal) in power generation and transport
  - Ex: Malta

- New uses of LNG
  - Transport: maritime and heavy duty vehicles & added services at terminals
  - Build on technological development: Small scale, FSRUs, FSU
  - Virtual pipelines: LNG via truck, train, micro regasification stations

- Issue of fugitive methane emissions
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Thank you for your attention!