

## EUROGAS

# The European Union of the Natural Gas Industry

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## Structure and Activities

*Presentation by Simona Basiu  
Senior Manager Media Relations and Information*



## Summary

1. About Eurogas structure and functioning
2. Some key figures in the gas sector
3. About Eurogas activities



## 1. About Eurogas structure and functioning



## A Forum and an Ambassador of the European natural gas industry

- Eurogas is a non profit association governed by the Belgian law
- Offices are located in Brussels

### Objectives:

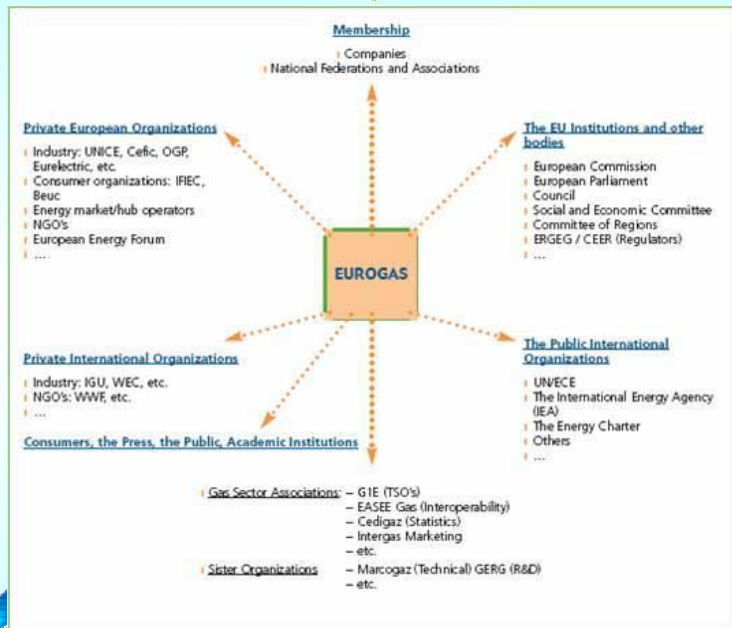
1. To promote the interests of its membership, companies, national federations and associations involved in the supply, trading and distribution of natural gas, and related activities such as storage and LNG
2. To promote the development of natural gas in Europe particularly in the legal, economic, technical and scientific areas to prepare studies and to promote cooperation within the gas industry
3. To promote the smooth functioning of the European internal gas market
4. To take stance on issues of interest to the European natural gas industry with respect to international and supra-national organizations including but not limited to the European Institutions and to public opinion



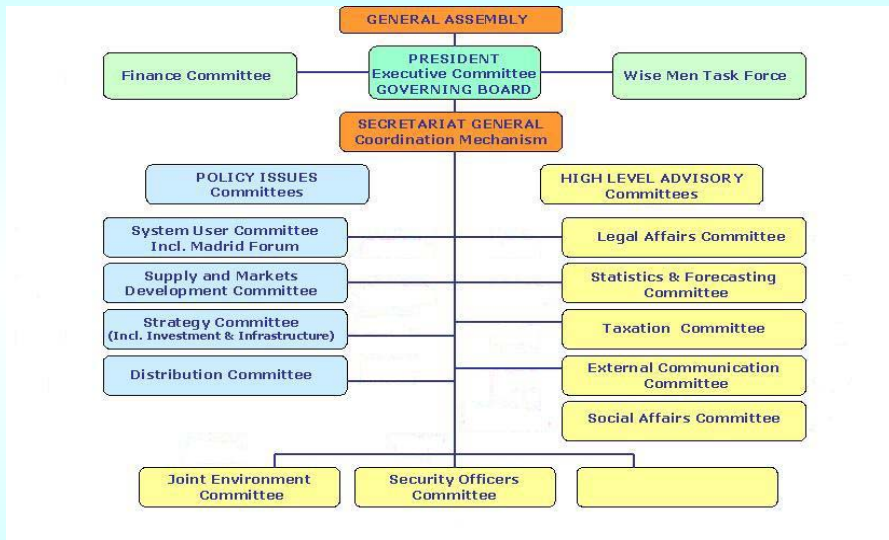
20 EU and 4 non-EU countries  
 24 Companies  
 11 National Federations  
 1 International Association



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## Eurogas Secretariat

- **Secretary General:** *Mr. Jean-Marie Devos*, in charge of the general management and strategic policy of the organization and of its membership
- **Deputy Secretary General:** *Ms. Margot Loudon*, in charge of regulatory affairs
- **Snr. Manager for Media Relations and Information:** *Ms. Simona Basiu*, in charge of communication policy, media relations and information, social affairs and security
- **Economic Counsellor:** *Ms. Emilie Marinova*, in charge of economy, statistics, and relations with Russia and Eastern Europe

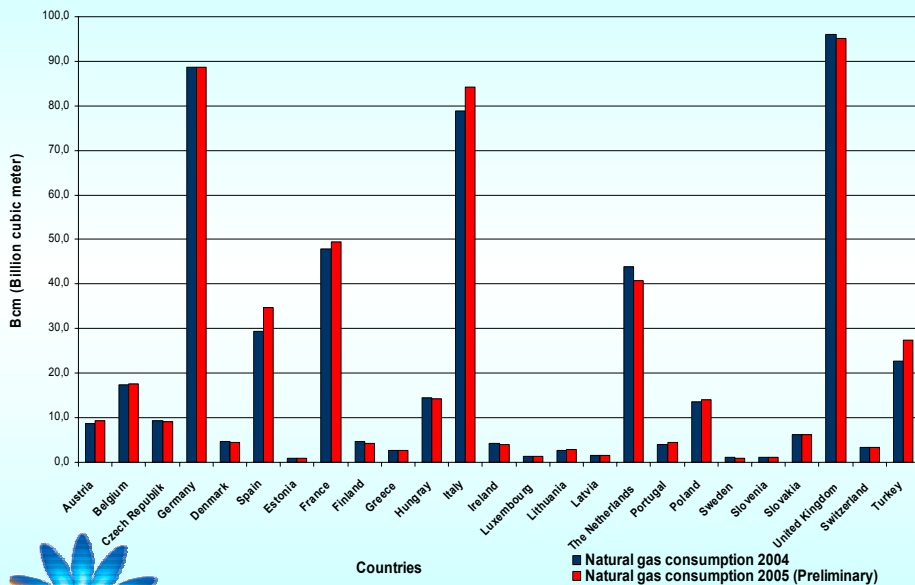


## 2. Some key figures in the gas sector



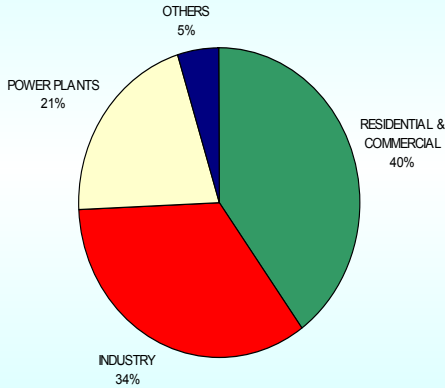
### EUROPEAN NATURAL GAS CONSUMPTION in 2004 AND 2005

EU25 natural gas consumption increased by 1,9%, from 483,5 Bcm in 2004 to 492,5 Bcm in 2005

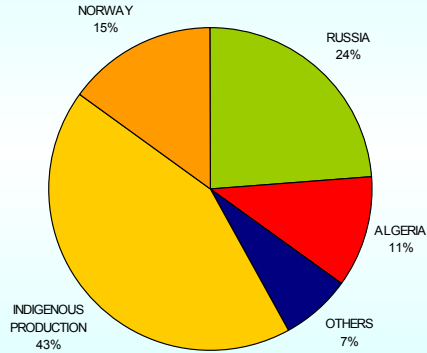


EU25 natural gas consumption 2004: 484 Bcm (+ 1,9%)  
2005: 493 Bcm

**NATURAL GAS SALES BY SECTOR (2004)**

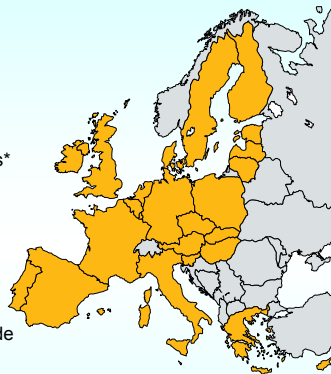
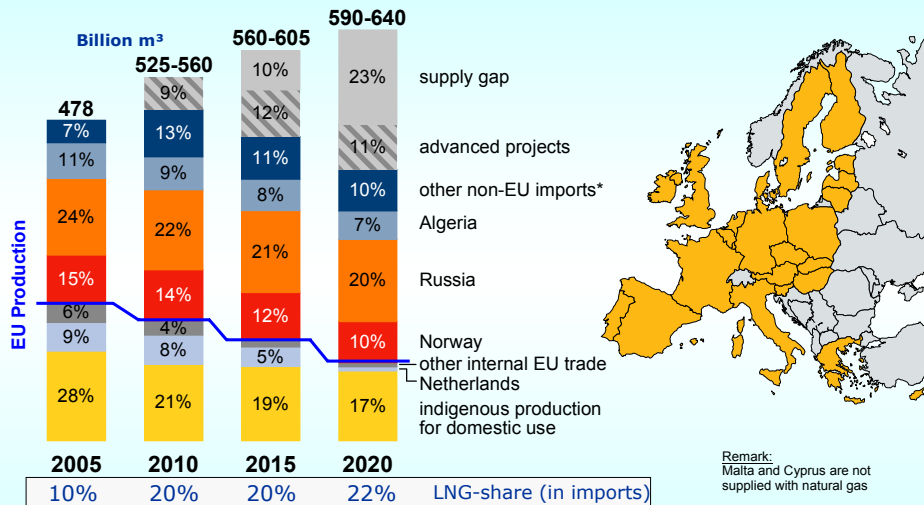


**EU25 NATURAL GAS SUPPLIES BY COUNTRY OF ORIGIN (2005)**



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**Development of Natural Gas Supplies in the EU25**



Remark:  
Malta and Cyprus are not supplied with natural gas

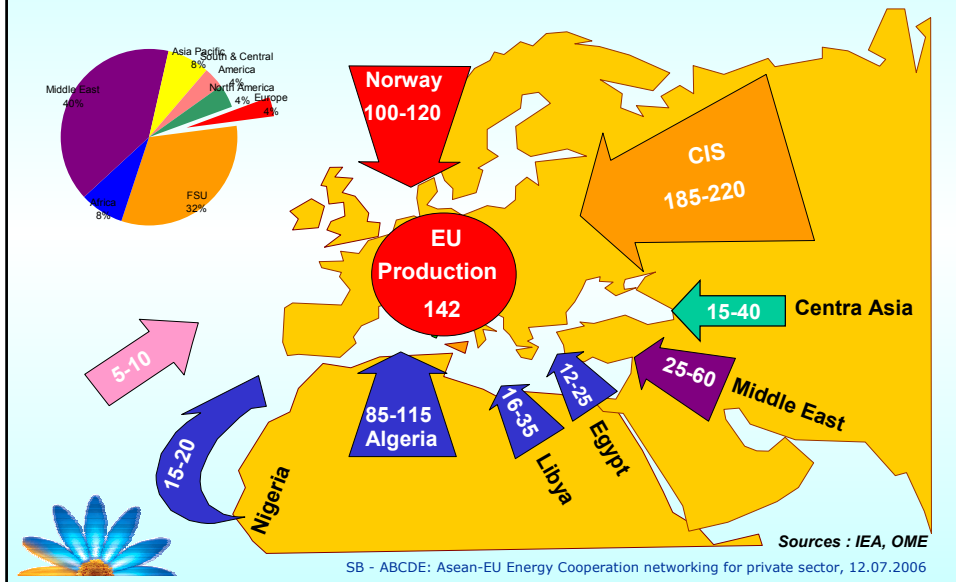
provisional data for 2005  
\*) of which: Nigeria 3%, Qatar 3%  
Basis for imports: Contracted volumes and prospective contract prolongations  
Russia without volumes via North European Gas Pipeline (NEGP) which are included in advanced projects

Source: E.on Ruhrgas



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## SUPPLY CAPACITIES FOR WESTERN EUROPE 2010- 2020 (billion m<sup>3</sup>/year)



## 3. About Eurogas activities



## Eurogas main speaking partners in the EU institutions

- Commission (EU)
  - Directorate General Transport and Energy (DG TREN)
  - Directorate General Competition
  - Directorate General Environment
  - Directorate General Research
  
- European Parliament (EP)
  - ITRE Committee
  - Economic Affairs
  
- European Council (EC)
  - COREPER and Governments



## Lobbying/Advocacy Following the EU legislative process for gas/energy related issues





## European Gas Market Liberalization

- Development of a political/legislative framework
- 1985 – The EU began to develop politically and economically; the objective was to create a single market for goods, services persons and capital
- 1990 – First proposal on gas and electricity internal markets adopted in 1998 after years of debate (1998/30/EC)
- 2003 - Second gas directive adopted (2003/55/EC) – implemented in July 2004
- 2003 to today: more detailed regulatory developments at EU and national level



- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>▪ <b><u>First Liberalisation Directive of 1998</u></b></li><li>- It is a Framework Directive laying out broad rules for the organization and the functioning of the gas market</li><li>- It foresees a gradual opening of the market starting at 20 % with a target of 43% of eligible customers</li><li>- It foresees unbundling of accounts</li><li>- It foresees third party access (regulation for networks optional)</li><li>- Provides mechanisms for regulation, control and transparency</li></ul> | <ul style="list-style-type: none"><li>▪ <b><u>Second Liberalization Directive of 2003</u></b></li><li>- Is more detailed and more prescriptive</li><li>- Foresees market opening to all non-households customers by July 2004 and for all household customers by July 2007</li><li>- Requires third party access and legal separation of transmission activities from July 2004 and of distribution activities from July 2007 (legal unbundling)</li><li>- Foresees a regulation on third party access to networks. (Option for storage access)</li><li>- Contains a number of provisions dealing with public service obligations, customer protection and security of supply</li></ul> |
|--|---|



## Current Key Issues for Eurogas

- Continued debate on the gas and electricity markets (progress report)
- Energy Efficiency (GP « Doing More with Less ») – Eurogas delivered a report early this year
- DG Competition sector enquiry – Eurogas delivered a response last month
- Security of supply – Green Paper on a secure, competitive and sustainable energy for Europe – Eurogas is preparing a response
- Madrid Forum (Interpretative notes on access guidelines, capacity allocation mechanisms, congestion management rules and transparency requirements)
- Fossil Fuels Forum
- Sustainable Energy Forum
- South Eastern Energy Community Treaty
- Contribution to the EU Russia Dialogue
- High Level Group



## EU Lobbying/Advocacy

- There are 3 global themes of interest that Eurogas is following:
  - Competitive European Market
  - Security of supply
  - Sustainable energy system



## Competitive European internal market

Regulation reflecting operational realities  
Madrid Forum  
Implementing existing regulation



### Security of supply

Growing share of natural gas  
Global dimension  
Regulatory framework conducive for new investments  
Security of demand

### Sustainable energy system

Cleanest fossil fuel  
Growing use for power generation  
New appliances



## Conclusions

- Natural gas can bring a decisive

