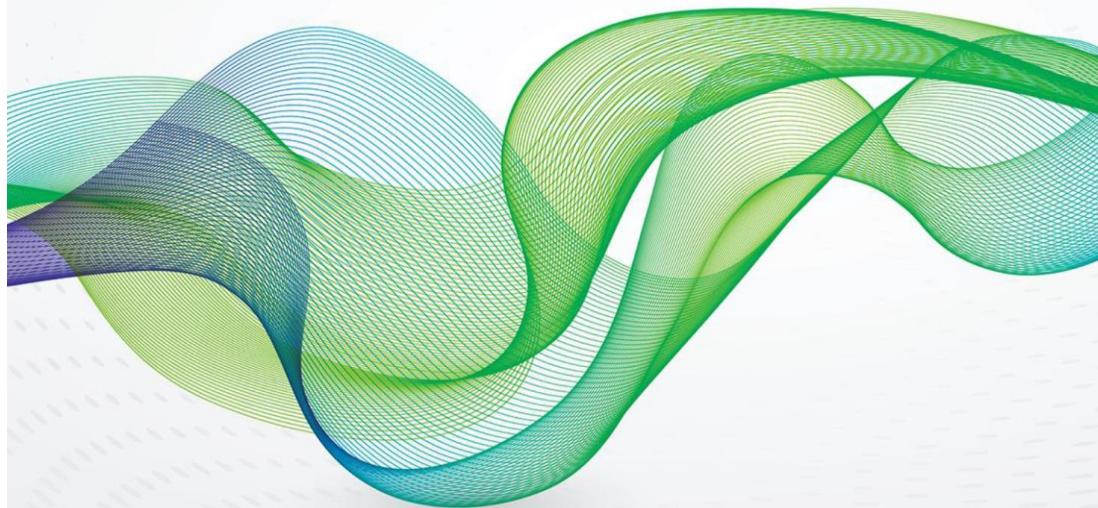


The Future of Gas in Decarbonising European Energy Markets: the need for a new approach



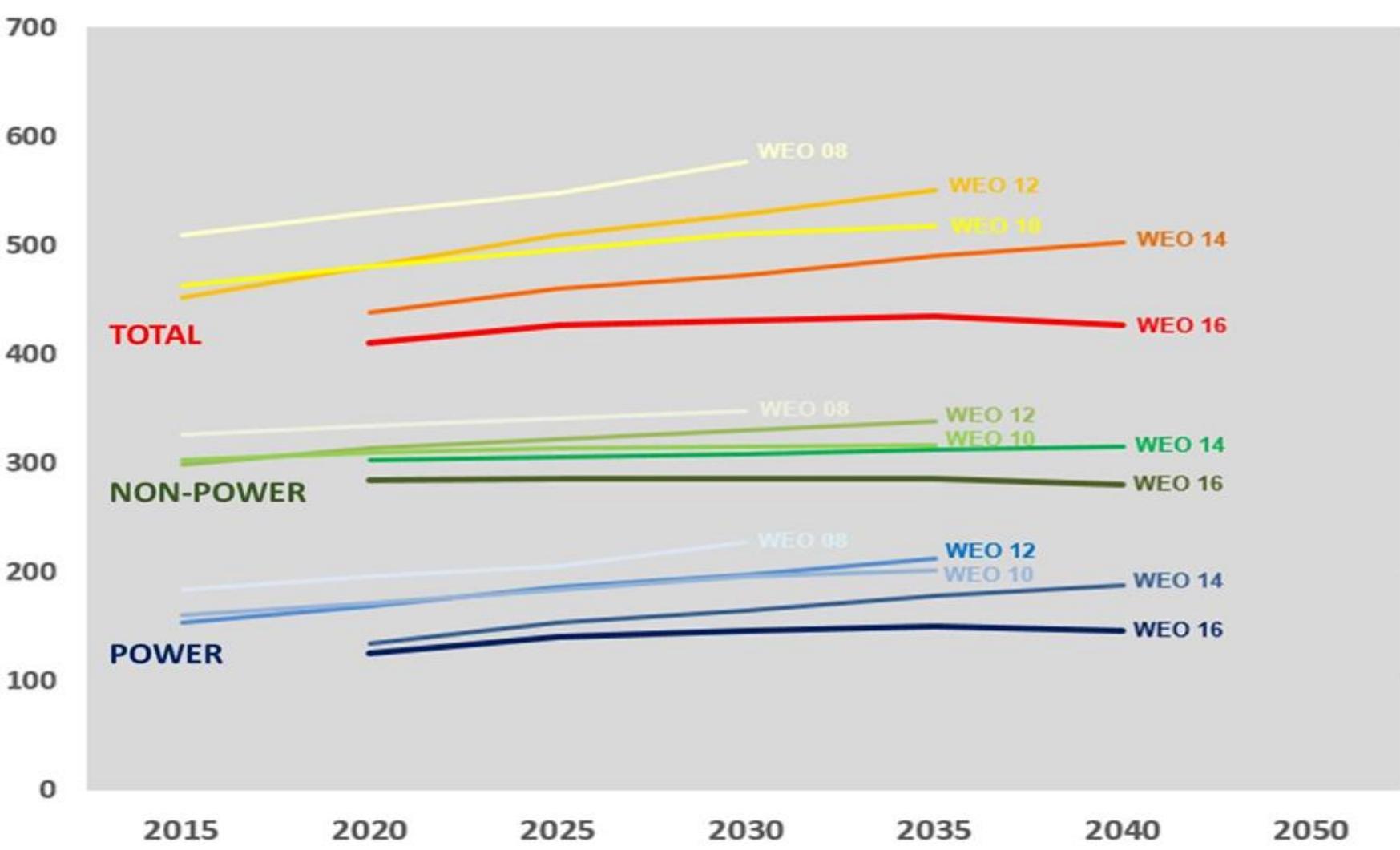
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Jonathan Stern

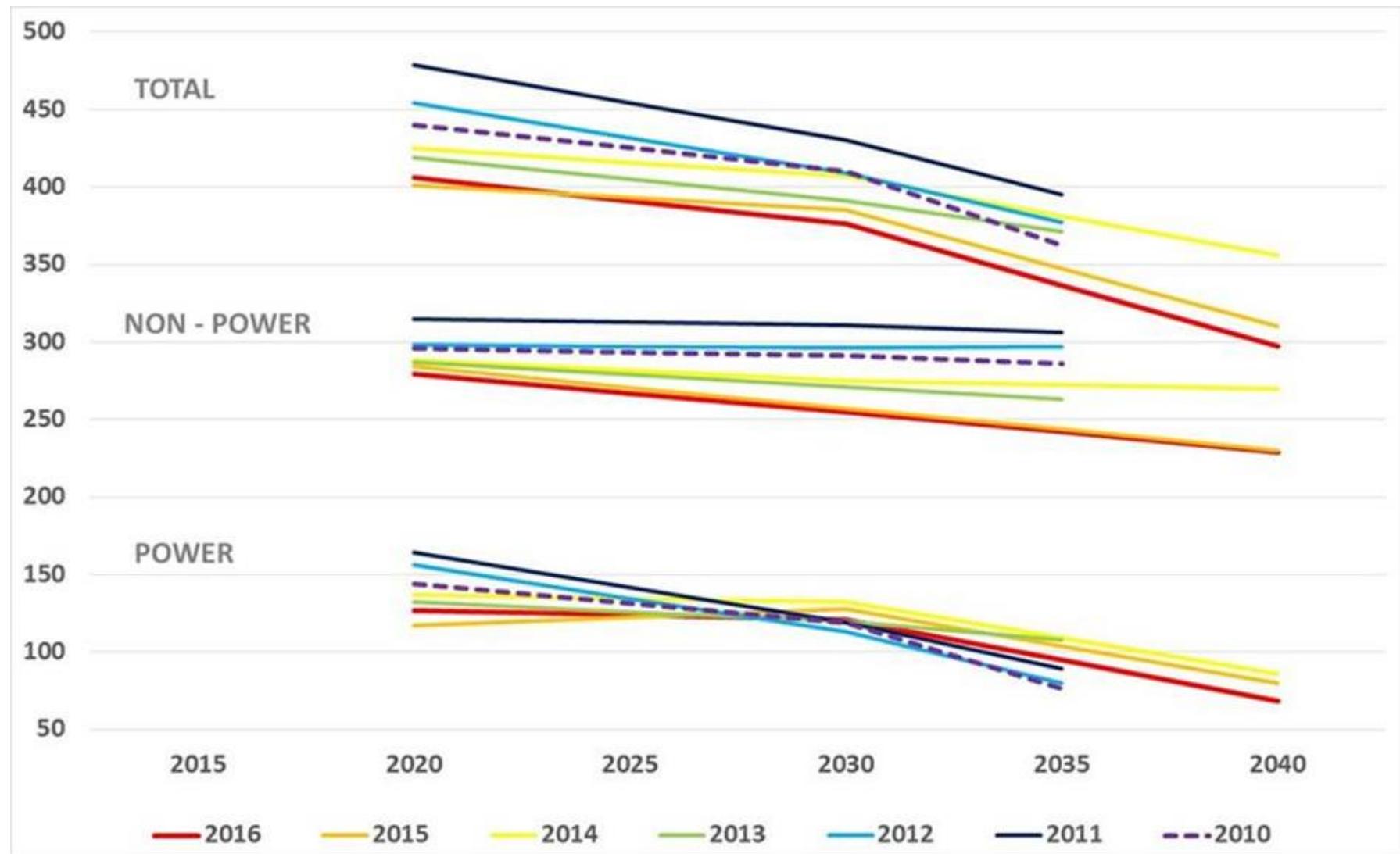
**Identified five problem areas for gas in the 2010s:
commercial, business model, security, environmental,
fragmentation**

IEA World Energy Outlook `New Policies Scenario' for OECD Europe Gas Demand 2020-40



Source: Honoré/OIES using data from IEA, World Energy Outlook, 2010-16

IEA '450 Scenario': European Gas Demand 2020-40



Source: Honoré/OIES using data from IEA, World Energy Outlook, 2010-16

Outside Europe: different futures for gas (but a similar trend if carbon reduction targets are to be achieved)

Carbon reduction is lower down the agenda in all regions; air quality could be a key driver for gas, so will affordability