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Opening remarks, session II

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Natural Gas Daily

Written by experienced energy journalists, Natural Gas Daily covers global and regional political, regulatory, and economic issues that affect the industry.

Global Gas Analytics

Global Gas Analytics is a forward looking service providing analysis and forecasts of global natural gas and LNG markets.

Key EU legislation adopted in 2017

- Revised regulation on security of supply in gas (994/2010) - aka the **'solidarity law.'**
- Transparency in Intergovernmental Agreements (IGAs)
- Air Quality Directive (BREF) (bad news for coal?)
- Revised Markets in Financial Instruments Directive (MiFID 2)

Plus...

- Gazprom antitrust case **preliminary verdict**

Key EU legislation in the making

- Reform of the EU's Emissions Trading System (ETS)
- Increasing energy efficiency targets for 2030 (demand reduction)
- Clean energy package: Phasing out capacity payments for coal plants? (emissions performance standard)
- Alternative fuels in transport (revised Directive on Combined Transport and Directive on Clean Vehicles)
- Nord Stream 2 legislation (EC seeks mandate to negotiate with Russia)
- Common rules for pipelines from non-EU countries

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Key EU legislation in the making

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- Heating and cooling strategy
- Network codes in gas and electricity (many already adopted, such as Congestion Management Procedures)
- ‘Solidarity law’ in electricity to prevent blackouts
- Brexit negotiations
- ECJ decision on OPAL

A web of regulations, but key messages are

- Easier access to grids and storage
- Harmonised trading rules across borders
- Market transparency
- Combat market abuse and monopolistic behaviour
- Well interconnected and diversified markets
- Cost-efficient decarbonisation of the energy sector

- Security of energy supply a top priority under the Juncker presidency
- The EC wants to reduce **but not eliminate** dependence on Russian gas (diversification)
- Gas seen as an important **transition fuel** to reach climate targets and support the renewables expansion
- But question marks hang over the use of gas in the long-term
- Support (financial and political) to infrastructure projects that strengthen security of supply – **Projects of Common Interest**
- Concerns over Nord Stream 2, as it **bypasses the Ukraine**

Conclusions

- Brussels sees a key role for gas in the energy transition
- The EC is not 'against' Russian gas imports, but wants to reduce dependency on Gazprom by diversifying supply routes (LNG, Southern Corridor etc.)
- The EU has been successful in pressing through some key legislations to strengthen security of supply and better integrate energy markets
- But implementation across Member States has been uneven (The EC has launched infringement cases against a number of countries)

THANK YOU FOR YOUR ATTENTION!



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