

To improve the climate for investments in flexibility

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CEPS Energy Task Force - 2 June 2009



Natural GAS

- ▶ large worldwide resources
- ▶ major worldwide gas reserves at the doors of Europe
- ▶ the best H₂ /Carbon ratio of all the fossil fuels
- ▶ an increasing global market
- ▶ still large indigenous resources

Natural GAS is an opportunity for Europe !



In order to take advantage of this mainly midstream opportunity - Investments are the key:

- to improve existing resources to the EU market
- to increase flexibility inside the EU market

A favourable climate for investment is made of:

- certainty, stability, predictability, adequacy ...on
- demand growth, tariffs, regulations, structures of market and role of actors...

Does such a climate exist, and if not how to create it ?



The last EU energy regulation is not so favourable to a short/middle term friendly climate for investment

- ▶ The “Climate – Energy package” (more than the present economic crisis) has increased uncertainty on the EU future gas demand growth

EU 27 - Primary energy demand Gas - Mtoe			
	IEA 2008 Ref Scenario	SSER (61\$/blo) BAU	SSER (61\$/blo) with CEP
2005	445	445	445
2020	516(est)	505	399
Growth/year	1%	0,85%	-0,72%



► Some aspects of the regulation of the last 3rd package of liberalization of energy market may have a short to medium term effect on investments:

- increased uncertainty on the adequacy of future regulated tariffs
- reorganisation of the structure of the market
- additional burden on “investment friendly” regulation
- ...



How the internal dimension of the future EU Security of Energy Supply Policy could improve the climate for investments ?

- in facilitating additional investments on interconnections by adapted tariffs policies at the national and/or EU level
- in improving conditions for TPA exemption obligations
- in improving the long permitting procedure for any new infrastructure development
- in ensuring that emergency measures shall be applied in a transparent and non discriminatory way in order to issue correct signals to the market and future investors
- when projects involve the provision of extra, non economic, capacity for the purpose of security of supply, the EU should establish specific and transparent rules for its use
- and more generally in reintroducing stability and predictability that are necessary to decide long term investments...



Thank you !

