

PRESS RELEASE
EUROGAS ANNUAL POLICY CONFERENCE 2007 OPENS THE DEBATE ON THE 3RD PACKAGE OF LIBERALIZATION OF THE GAS AND ELECTRICITY MARKETS

The Eurogas Annual Policy Conference took place in Brussels on Friday 21 September 2007 and presented Eurogas preliminary views on the third liberalization package launched by the European Commission on 19 September 2007.

This event was attended by around two hundred high ranking representatives of the European Institutions, Industry, International Organizations, Producing Countries, Customers and the Press. The highlights were on the progress made in the internal market, on EU partnerships and European company strategies with external producers. This conference was, amongst others, the occasion for a large debate on investment issues, consumer protection, regulation and harmonization in the context of the legislative proposals launched by the Commission on 19 September.

In his opening speech Mr. Domenico Dispenza, the President of Eurogas summarized the Eurogas initial reactions to this package. Eurogas supports the Commission's aims to achieve a fully functioning internal market. This requires:

- *effective application of the current legislation*
- *non discriminatory access and system operation*
- *stable regulatory framework conducive to support investment needs for Europe's supplies*
- *improved regulatory process*
- *improved TSO co-operation*
- *the need for investments to secure supplies in Europe*

Amongst the issues proposed by the Commission Eurogas supports the creation of the Agency for coordination and harmonisation of National Regulatory Authorities. It shows consideration for a pragmatic approach in respect of the existing structure. Such structure should have well defined powers, should be accountable and operate in full transparency.

Eurogas supports the constitution of the European Network for Transmission System Operators for Gas and agrees in principle with the proposed setting up of a more formal body of TSO's (GTE+). Improved cooperation between TSO's on their operations should deliver better services for gas suppliers. However, Eurogas supports the future obligation on the GTE+ to consult regularly with the network users and suppliers.

On the question on unbundling Eurogas stresses the following:

- any solution must be implemented coherently and must be proportioned
- ISO is a possible alternative to be studied
- other feasible solutions may exist

- better, well targeted regulation should be sought.

Any future legislation should aim at a well functioning internal market and at preserving the ability of energy companies to become globally competitive, to invest and to determine their portfolios and their long term strategies. In this respect, Eurogas sees the need for EU external policy to support dialogue and partnership under a general umbrella of reciprocity with producing Countries as a way to strengthen European security of supply. Eurogas welcomes the Commission's proposal in this respect.

In the opening session, Commissioner Piebalgs introduced the issues reflected in the legislative proposals and called for a determined continuation of the liberalization process. In the following session Mr. Heinz Hilbrecht, Director DG TREN, developed on the proposed measures of the third package and called for a clear cooperation between the Industry, the Member States and the Commission on security of supply issues. He welcomed the support of Eurogas to the EU Gas Coordination Group.

On the issue on the difference between gas and electricity Mr. Alejo Vidal Quadras, MEP, underlined the specificities of gas compared to electricity especially in the geopolitical field as most production is based outside the EU. He promised that these issues would be debated in the European Parliament in the coming months. In his conclusion he insisted on the fact that the EU institutions would continue working to reach agreement on the proposed package.

Other session speakers addressed key economic, regulatory and strategic challenges facing the natural gas industry. The presentations of this conference will be available on the Eurogas website from today http://www.eurogas.org/events_eurogasEvents.aspx?ev=74