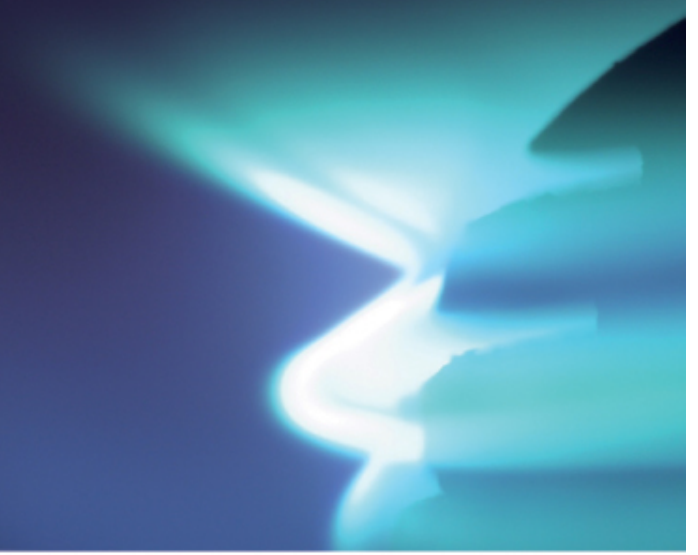


# EU – Norway Workshop

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## Eurogas Views on the SER: Focus on Sustainability



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THE EUROPEAN UNION OF THE NATURAL GAS INDUSTRY



## *Starting points for Eurogas Position*

- Endorses the Commission's emphasis on intensifying efforts to combat change – Europe's energy policy must create the framework for a diversified mix of environmentally friendly fuels, within a competitive market and a stable policy context
- Natural gas has an important part to play in meeting these objectives, as a consequence of its secure supply, and its environmental qualities, notably the relatively low level of CO<sub>2</sub> emitted
- The EU-Norway dialogue can highlight this consideration

Key drivers are

– ***The EU Emissions Trading Scheme***

- There has to be a stable and predictable EU ETS framework to underpin the long-term value of carbon
- An urgent priority is to set out the future level of ambition for the scheme post 2012

– ***Energy Efficiency***

- Gas suppliers are well-placed to support initiatives in this area
- Intervention in the market must be consistent with competition/market principles and structures and in the longer term should link to wider carbon-based trading schemes

## *Renewables*

Eurogas recognizes the importance of developing RES and understands the Commission's proposal for a binding (rather than indicative) overall target.

Eurogas considers it a priority to find ways of meeting this and other targets in ways which do not distort the market and which avoid negative consequence at EU or Member State level, and each Member State should be free to decide the best renewable energy mix for its own circumstances.

Eurogas accepts that it may be appropriate to have short-term measures that support the development of renewables, but once the new technologies are established and the true value of carbon is more certain, the energy mix should primarily be market determined.

Biogas has a ready role in the provision of energy from renewable sources, not least because of the possibility that this can be effectively distributed via pipeline gas systems.

## *Carbon Capture and Storage (CCS)*

Eurogas does not favour specific CCS obligations or other mandatory measures. By building the price of carbon into the power generation cost, the EU ETS will assist the technology, should it prove viable.

Eurogas accepts, however, that CCS may need some transitional funding in order to become commercially viable. Any financial support should be geared very specifically towards bringing the technology to market, for example capital grants for demonstration plants.

The Eurogas Position Paper on Sustainability and Energy Efficiency (07PP282) can be found at [www.eurogas.org](http://www.eurogas.org)

Other Position Papers on the package are

- Eurogas Position Paper on Protection of Vulnerable Customers (07PP260)
- Position Paper on Proposals on the Internal Market: Improved Market Integration (07PP279)

And Eurogas has proposed a set of Guidelines for Regulators