An EU strategy for liquified natural gas

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European Commission

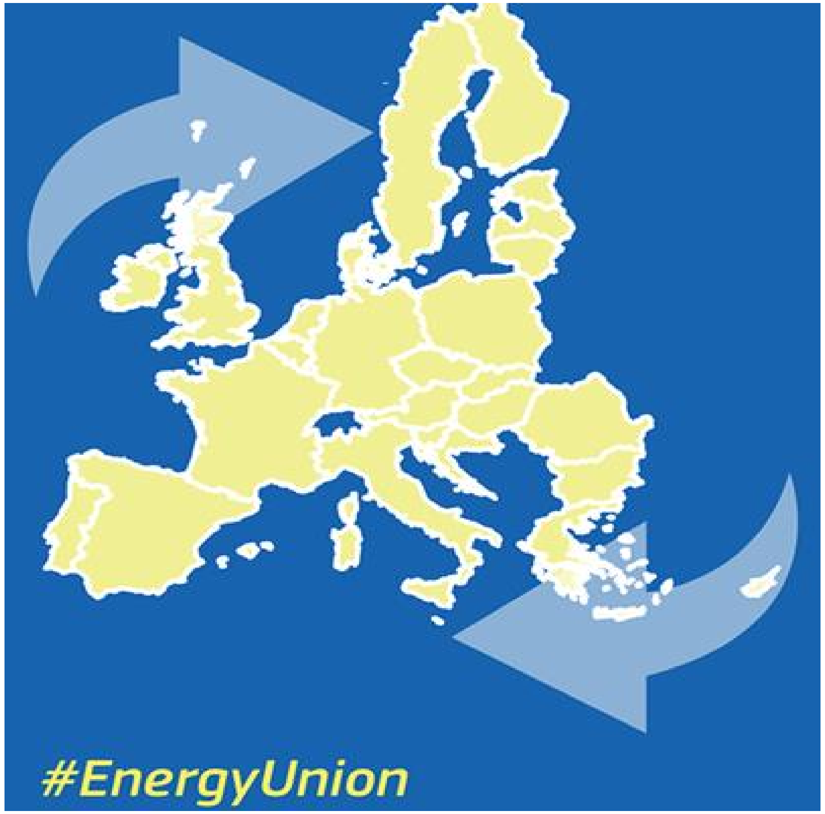
Energy Union

Energy for Europe – serving society, supporting the economy, protecting the environment

Source: Directorate-General for Energy

European Commission

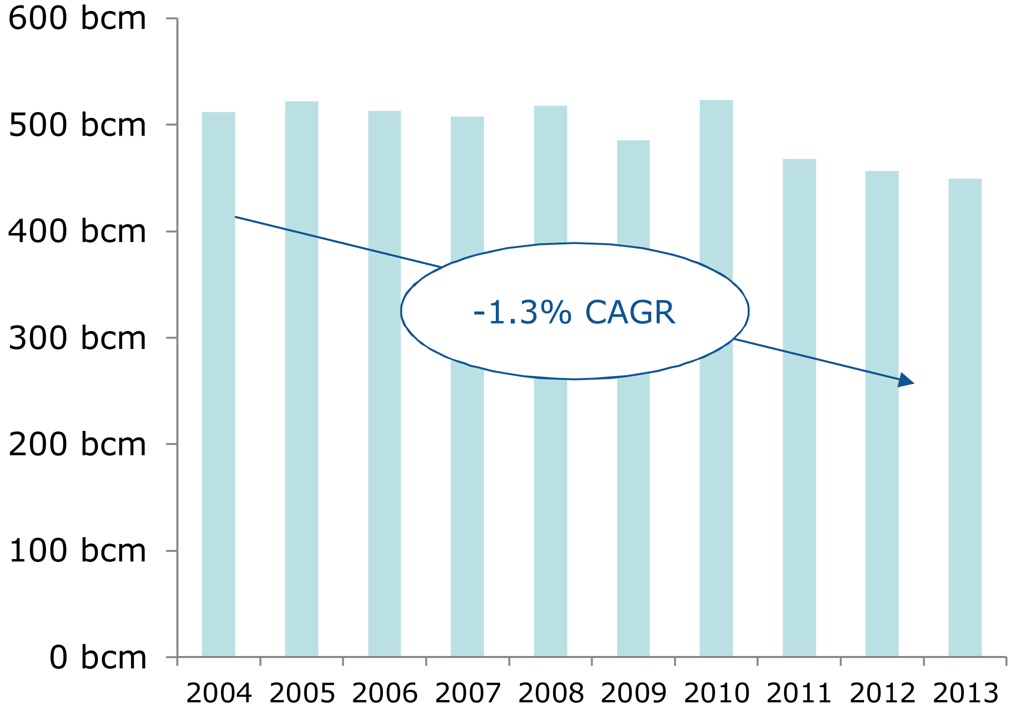
ENERGY UNION : 5 Dimensions



1. Energy security, solidarity and trust
2. A fully integrated internal EU-wide energy market
3. Energy efficiency as an energy source in its own right
4. Transition to a low-carbon society
5. Research, innovation and competiveness

Gas demand has reached a 14-year low in 2013 with a total gas consumption of 449 bcm/a

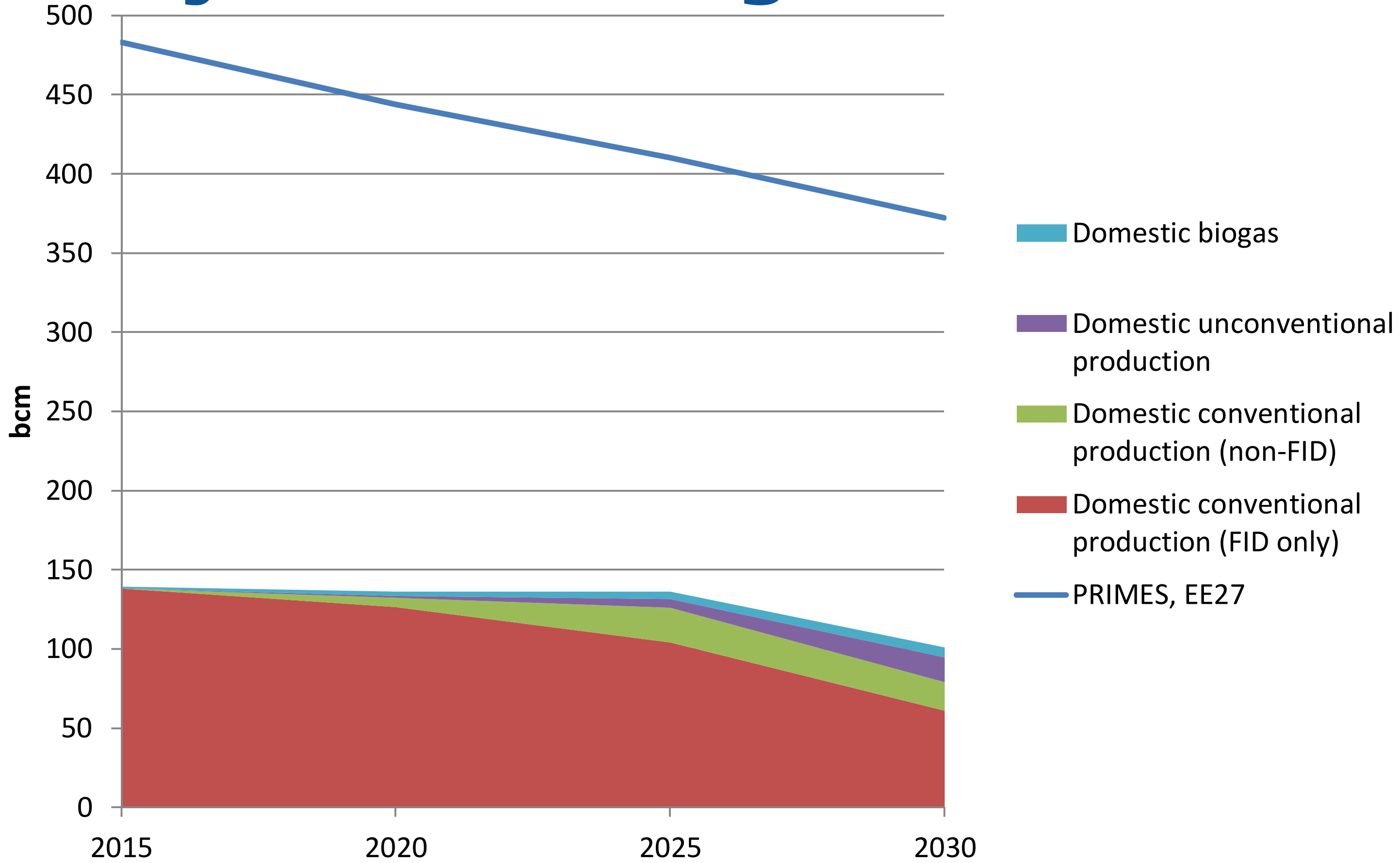
Annual gas consumption – EU-28



Source: IHS

- **Lack of competitiveness of gas versus coal**
- **Large-scale deployment of RES**
- **Mild winters**
- **Financial and economic crisis**
- **Increase in energy efficiency**

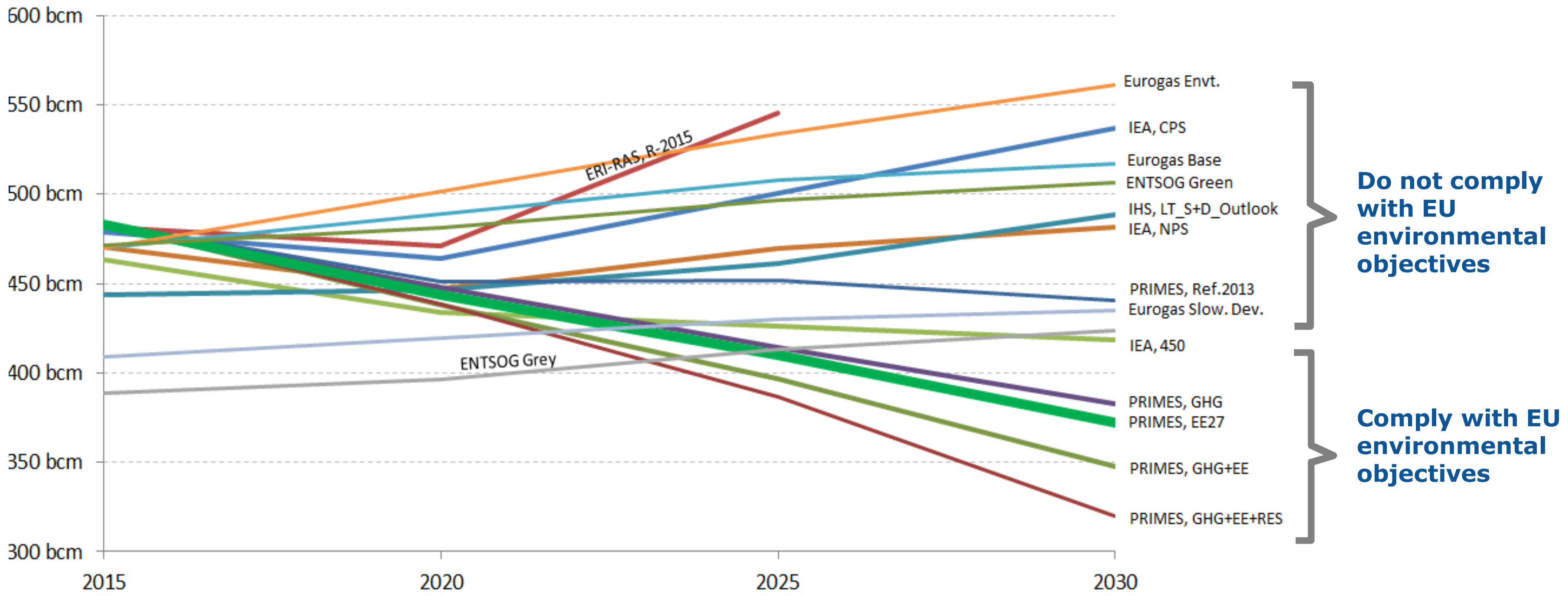
Projected EU28 gas demand



Notes: the PRIMES EE27 scenario is based on the 2013 reference scenario, using 2010 Eurostat data, and for the year 2030 involves 40% reduction in GHG relative to 1990, 27.8% renewable energy as a share of final energy consumption and 27.4% energy savings relative to a 2007 baseline. Domestic production based on ENTSOG projections.

EU demand trajectories to 2030 range between 320 and 563bcm/a depending on the assumptions

TPED trajectories for gas, EU-28, selected Models



All scenarios meeting EU targets see significant, steady decline in demand from now to 2030

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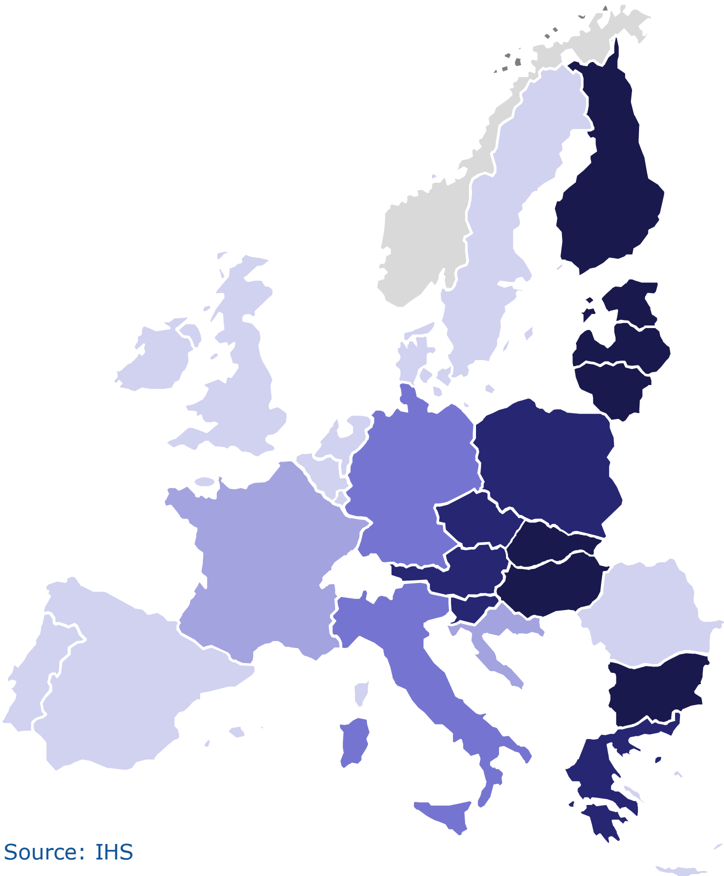
TPED=Total Primary Energy Demand

Primes EE27 scenario is considered best agreed 2030 strategy proxy

Single supplier dependency in Baltics, Finland, Central and South-East Europe



Share of gas from one single supplier in total gas consumption in 2013

- 0 – 20% of total gas consumption
- 20 – 40% of total gas consumption
- 40 – 60% of total gas consumption
- 60 – 80% of total gas consumption
- >80% of total gas consumption

Source: IHS

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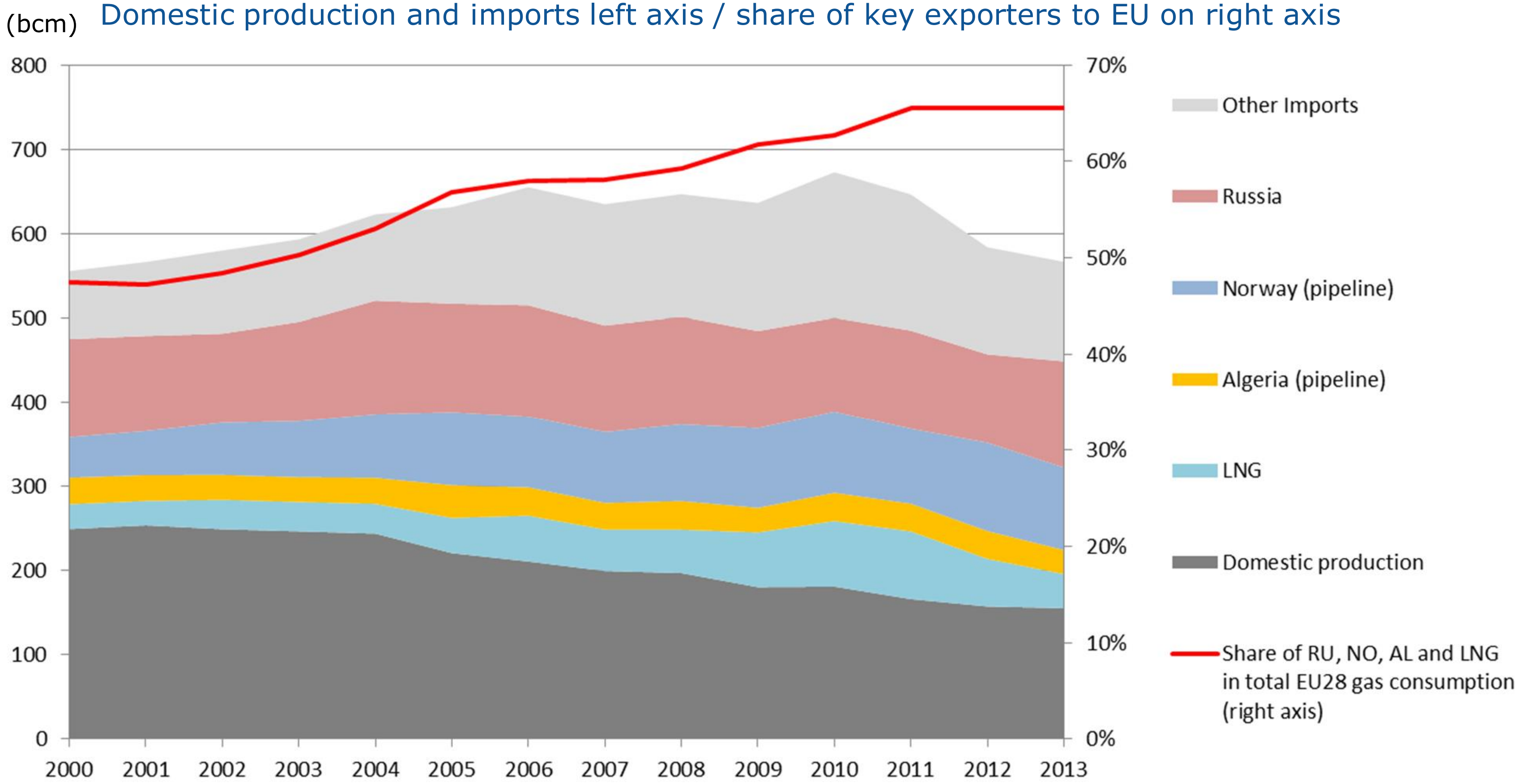
LNG represents 15% of total EU gas imports



Source: IHS

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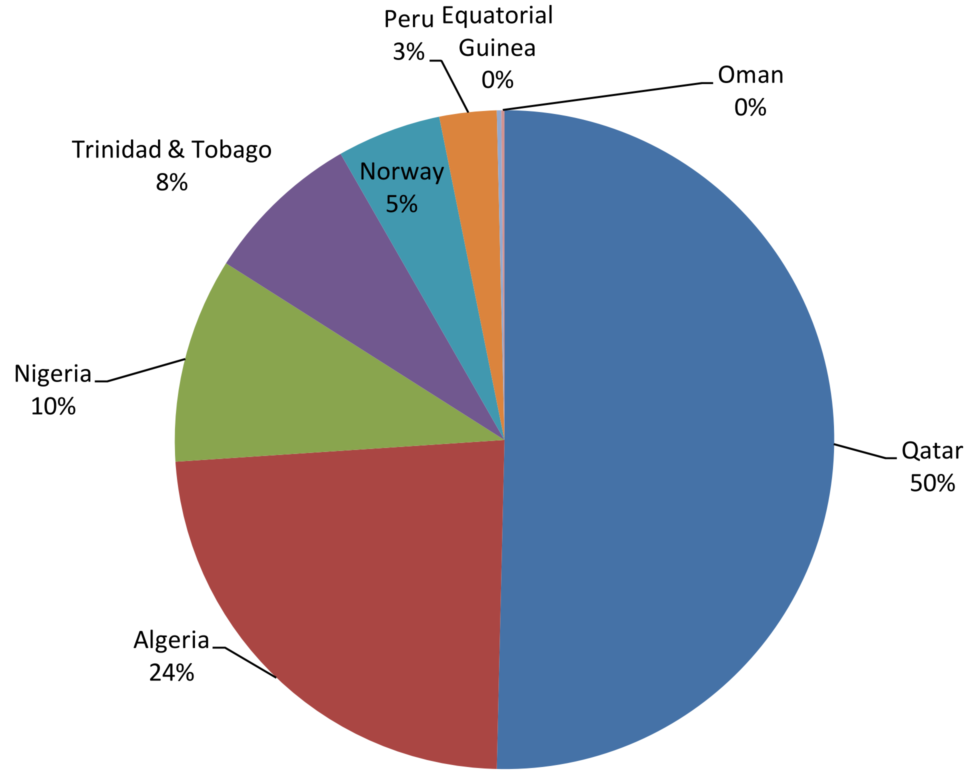
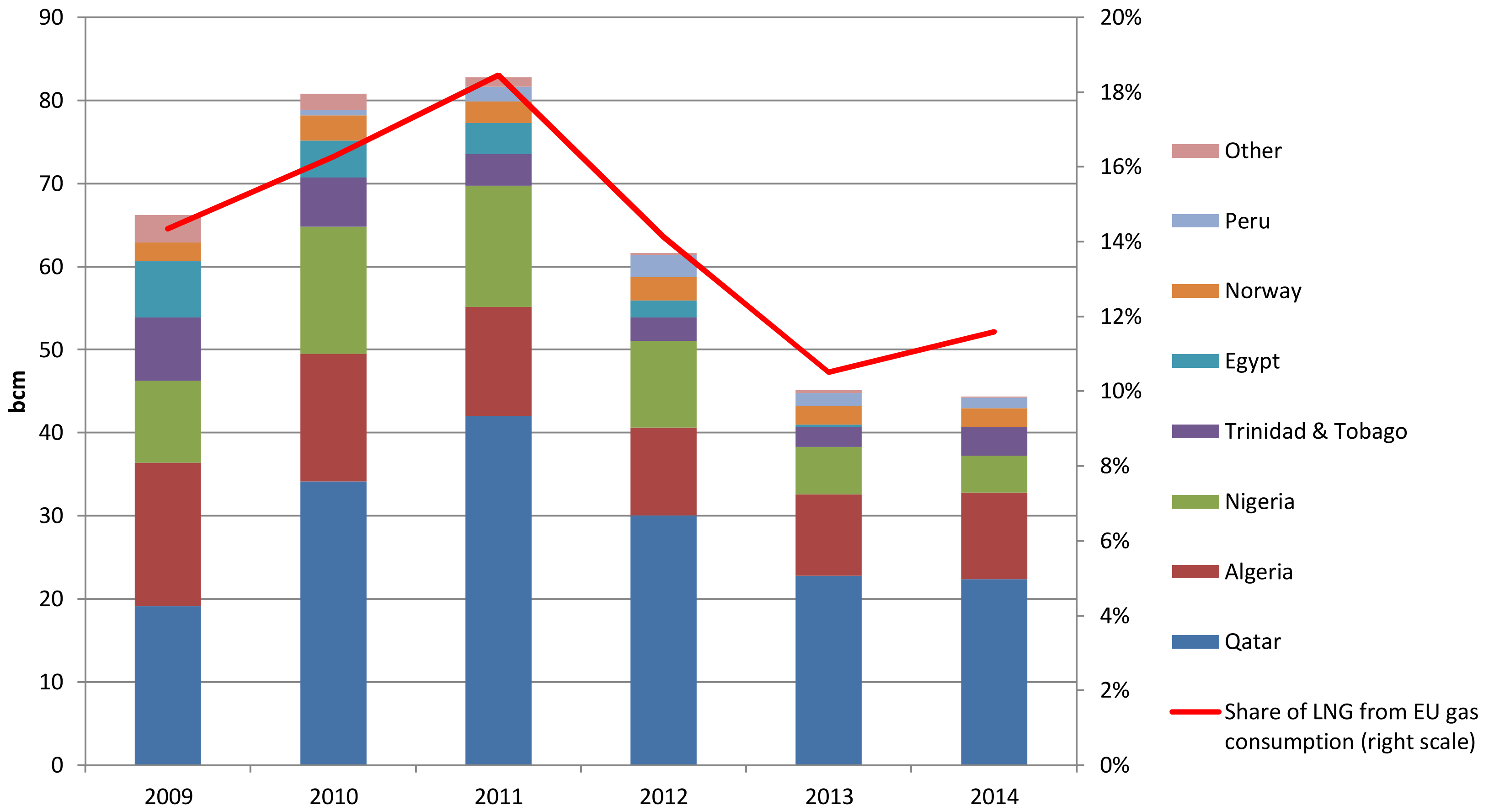
KOVACS Kristof (ENER), 2015/04/28

LNG imports to the EU in 2014



Source: Bloomberg/Poten & Partners

LNG imports to the EU in 2009-2014



Source: Bloomberg/Poten & Partners; Eurostat

LNG terminals in Europe (large scale)

EXISTING

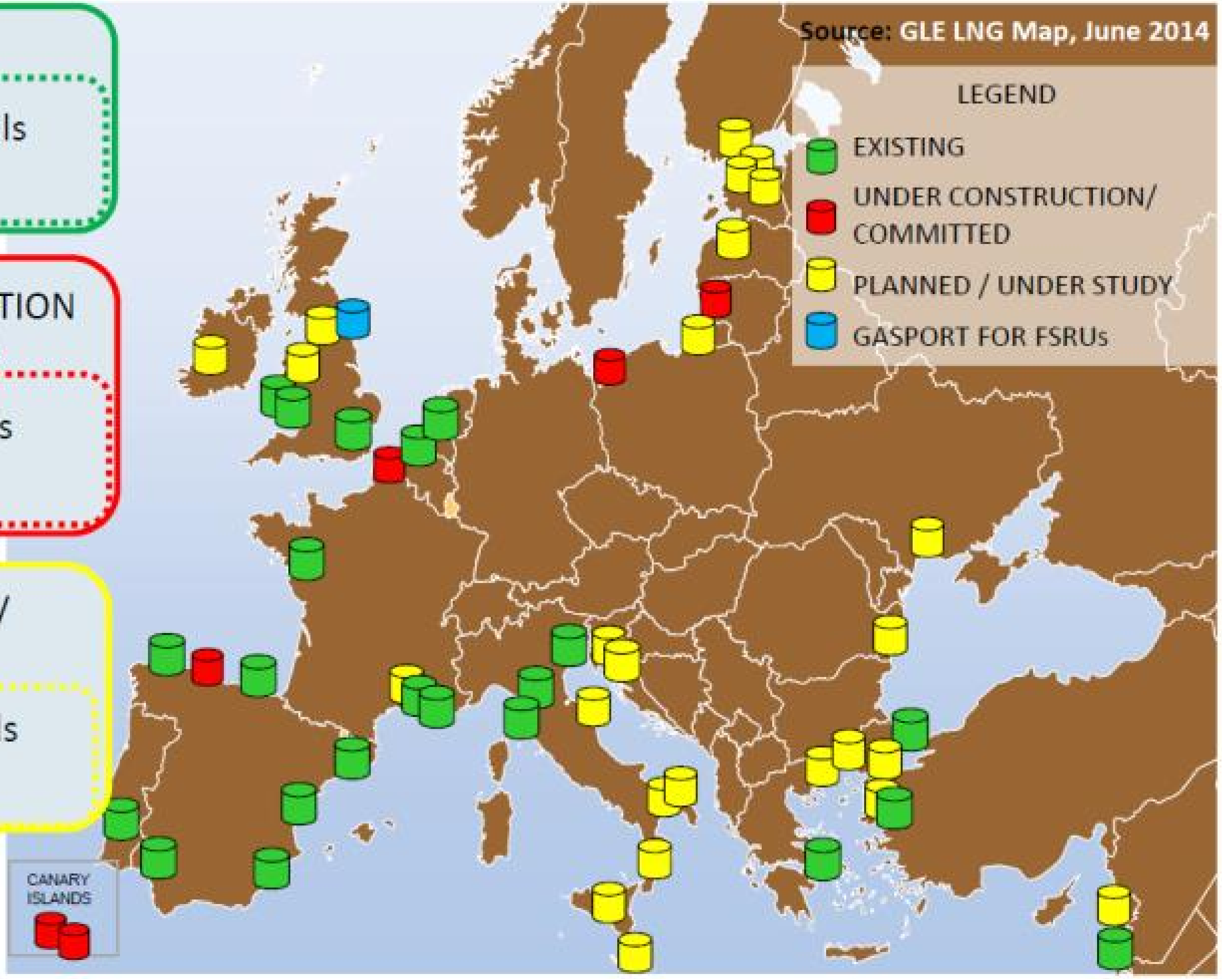
22 LNG Terminals
(197 bcm/y)

UNDER CONSTRUCTION / COMMITTED

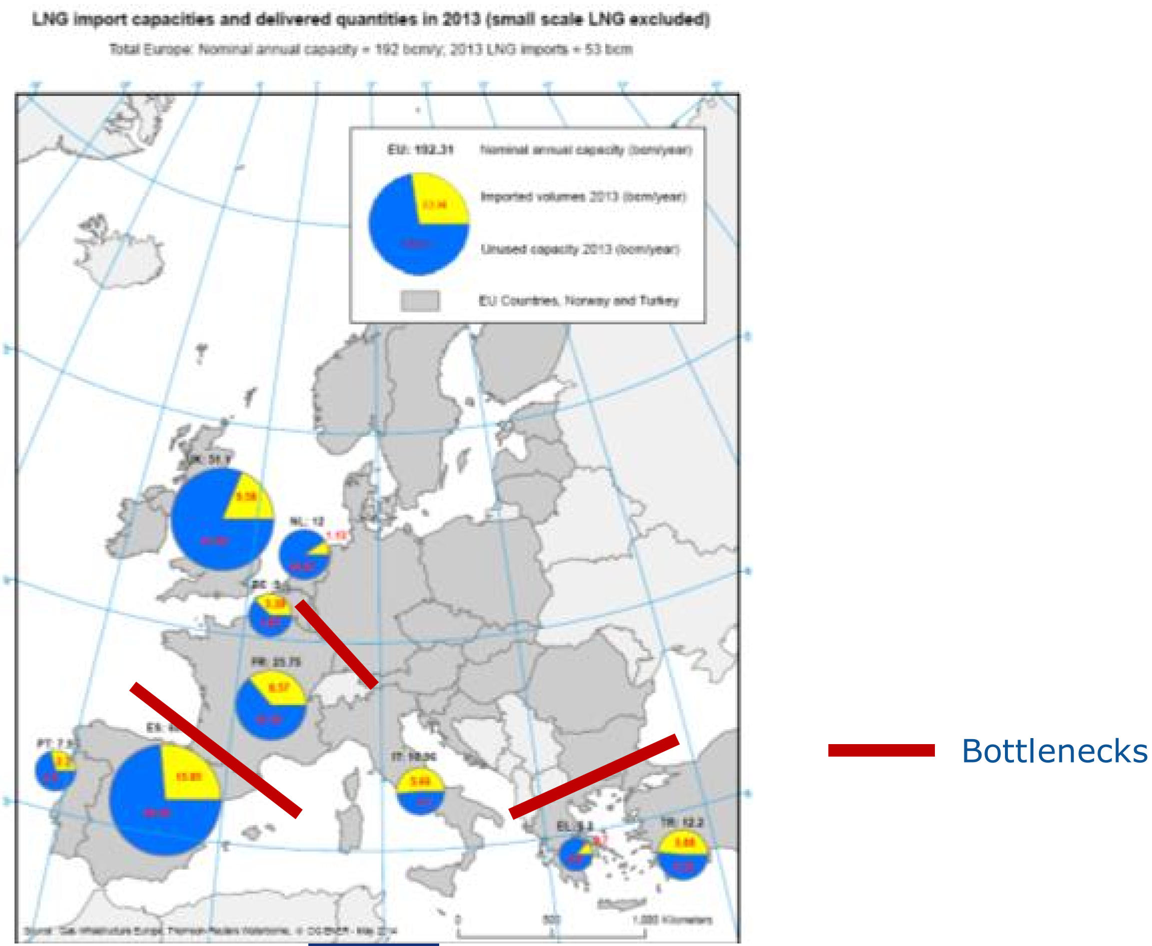
6 LNG Terminals
(32 bcm/y)

UNDER STUDY / PLANNED

24 LNG Terminals
(> 146 bcm/y)



LNG : around 75% of the EU import capacity is in Spain, Portugal, France and the UK



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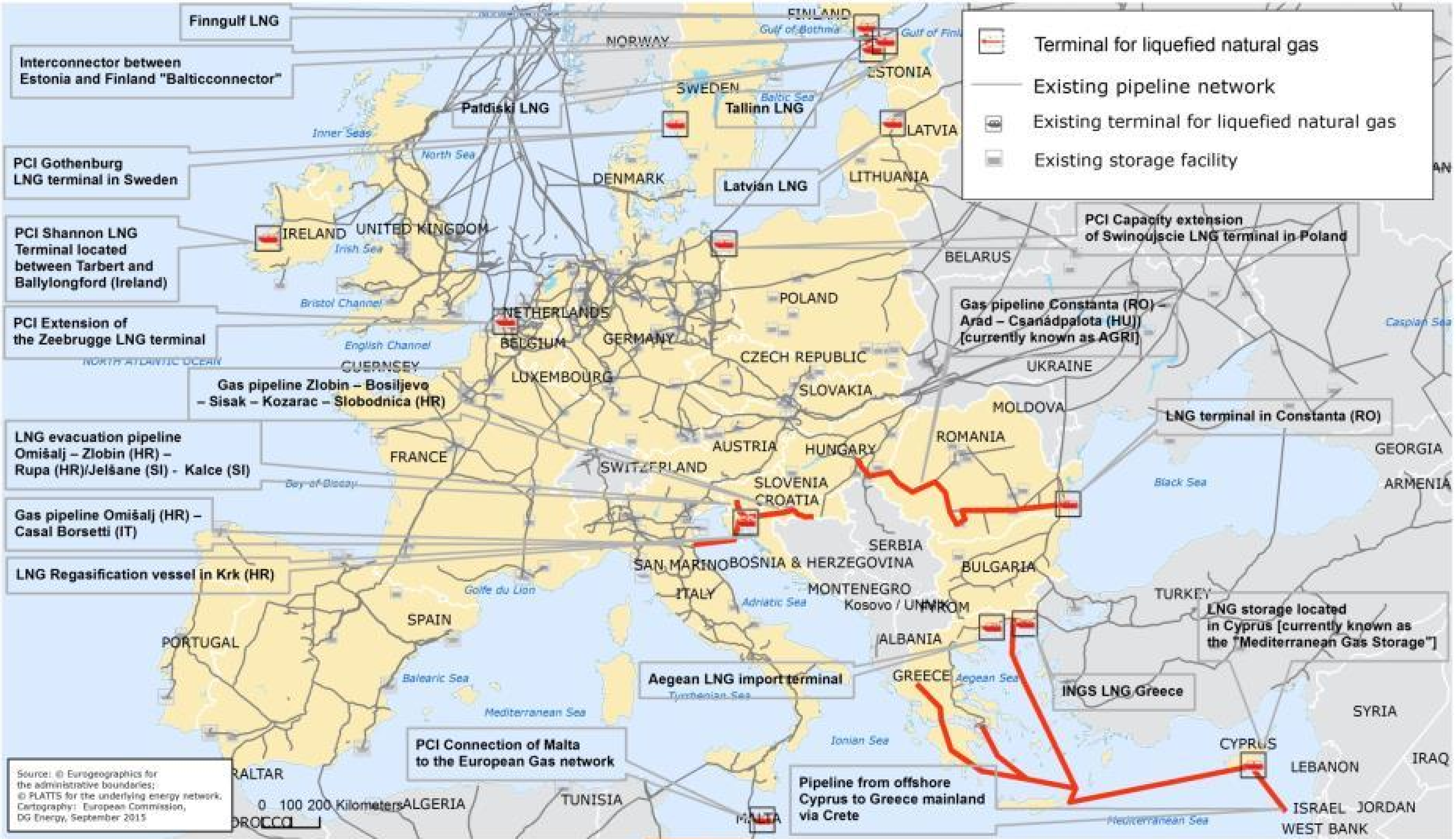
Project of Common Interest: Liquefied natural gas terminals and connecting pipelines



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EU LNG and Gas Storage Strategy
(Dec 2015 – Jan 2016) 1/2

LNG markets becoming more global, liquid and more competitive : exploiting opportunities for reliable, diverse and competitive gas supplies to the EU.

- Å increasing role of LNG as a price setter in the EU's gas market
- Å increasing role of LNG for gas security
- Å promoting transparency in the global gas and LNG market
- Å decreasing importance of destination clauses for LNG deliveries

LNG and Gas Storage Strategy
(Dec 2015 – Jan 2016) 2/2

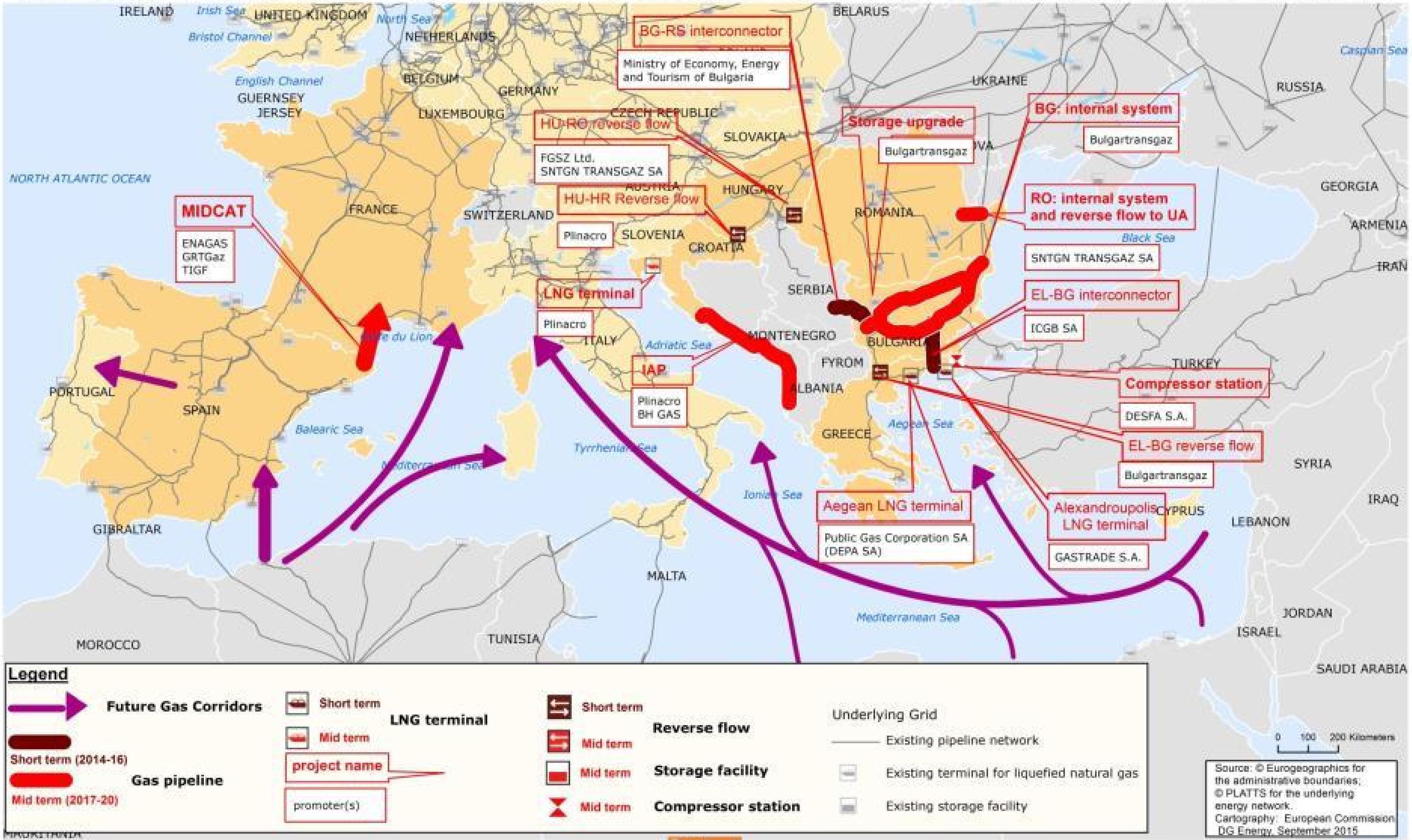
LNG markets becoming more global, liquid and more competitive : exploiting opportunities for reliable, diverse and competitive gas supplies to the EU.

- using all EU LNG terminals efficiently
- completing missing links to enable all EU member states to benefit from access to LNG market (...bn EUR in Connecting Europe Facility, ...bn EUR in European Fund for Strategic Investment)
- completing the EU's internal gas market

THANK YOU FOR YOUR ATTENTION

http://ec.europa.eu/energy/en/news/lng-and-gas-storage-eu-share-your-views

Key security of supply infrastructure projects - Mediterranean Gas Hub and Gas optionality in South East Europe



Key infrastructure projects - Baltic Gas Market and Gas optionality in Central and Eastern Europe