



LNG, the EU and the Danube

Christopher Jones
Deputy Director-General
Directorate-General for Energy, European Commission

An historic Agreement

- A new chapter in international climate governance and action
- A win for multilateralism
- A strong signal to policy makers, investors and businesses
- A great example of EU unity and leadership

Source: DG CLIMA



Context – Energy Union

Sustainability

- COP21: Importance of renewables and energy efficiency
- Gas' important role in energy transition



Competitiveness

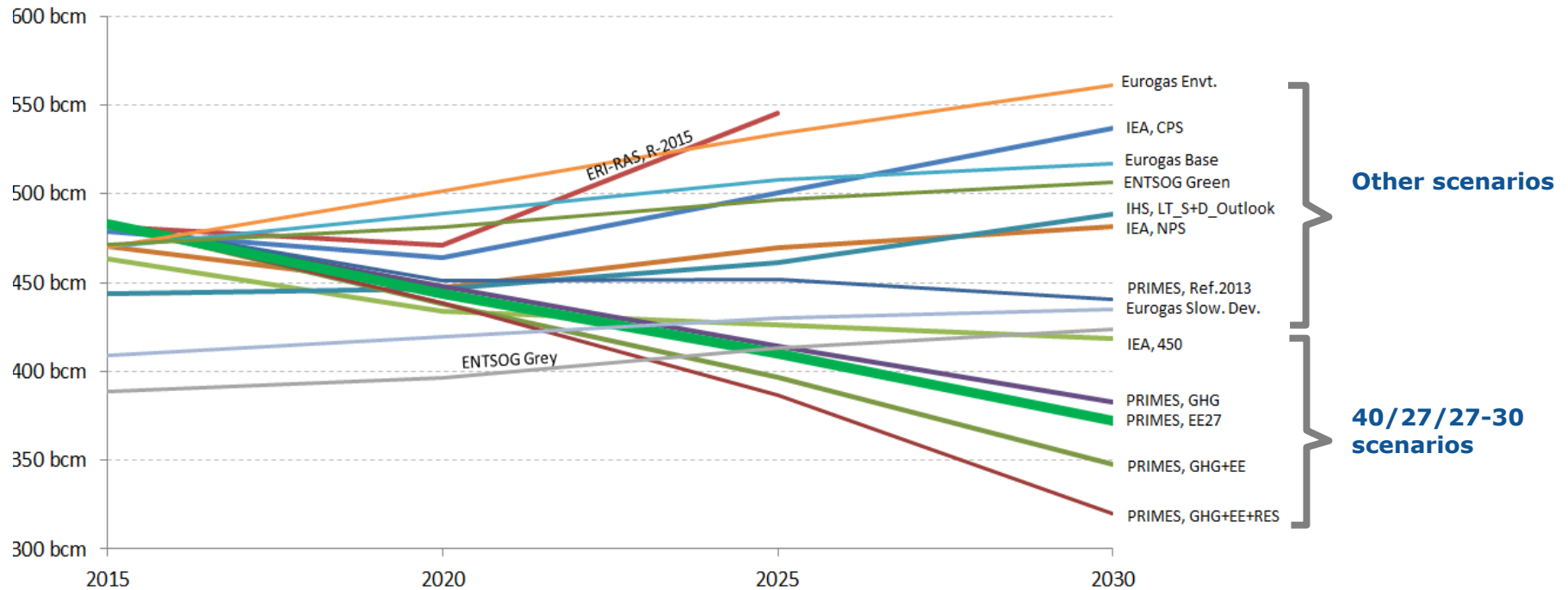
- Well-functioning gas market: increased competition and lower prices

Security of supply

- Stress Test: still vulnerable regions

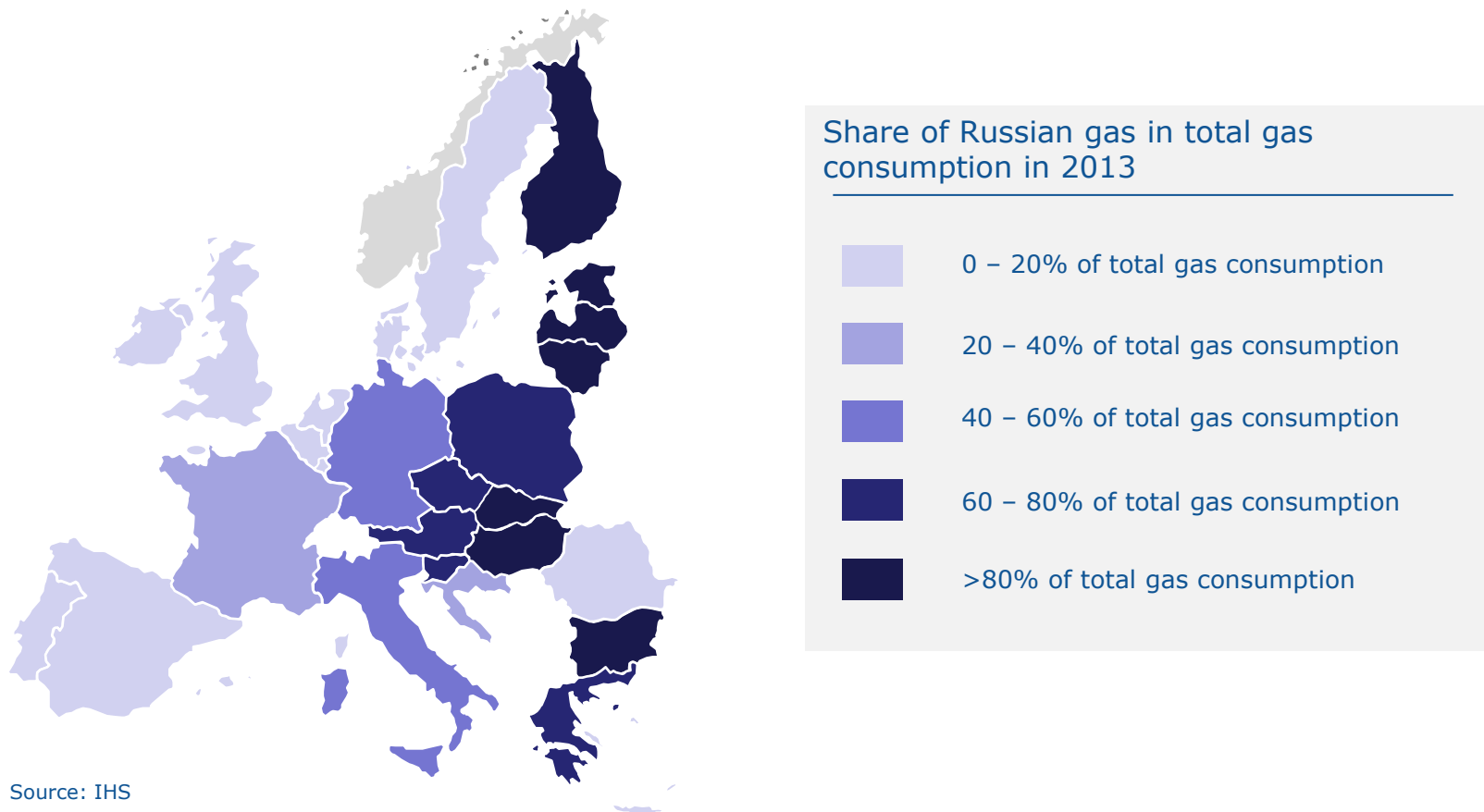
EU demand trajectories to 2030 ...

TPED trajectories for gas, EU-28, selected Models



Even with "low gas scenarios" EU gas imports will remain at best stable

RU gas is dominant in Baltics, Finland, Central and South-East Europe



South-East Europe – the most vulnerable region

6 key priority projects

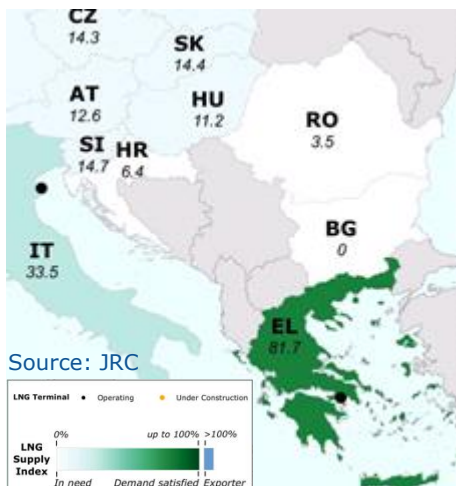
- These projects will also enable cross-border access to storage
- Accelerate FIDs and implementation
- Complete CBAs and choose most optimal solutions

Fully implement existing EU energy legislation

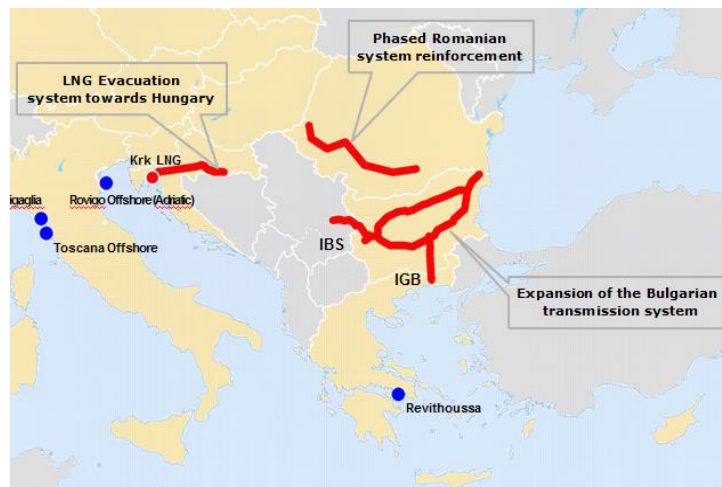
- NRAs to propose an ambitious roadmap of regulatory solutions to support the CESEC process by mid-2016

SoS Regulation

- Role of storage in regional risk assessment, preventive and emergency plans
- Involvement of the Energy Community



Current LNG potential in Europe, cooperative scenario



Future LNG potential in Europe, cooperative scenario

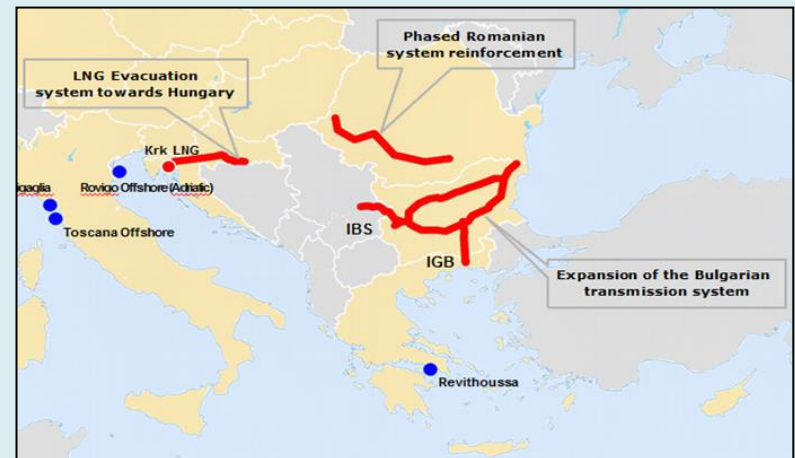
Completing the internal gas market

- **Build key LNG related infrastructure**
- **Fully implement existing EU energy legislation**
- **Ensure level playing field for existing LNG terminals and flexibility instruments (incl. storage)**
 - *Enable the introduction of new services and technologies*

Most relevant for the Danube region

6 key priority projects

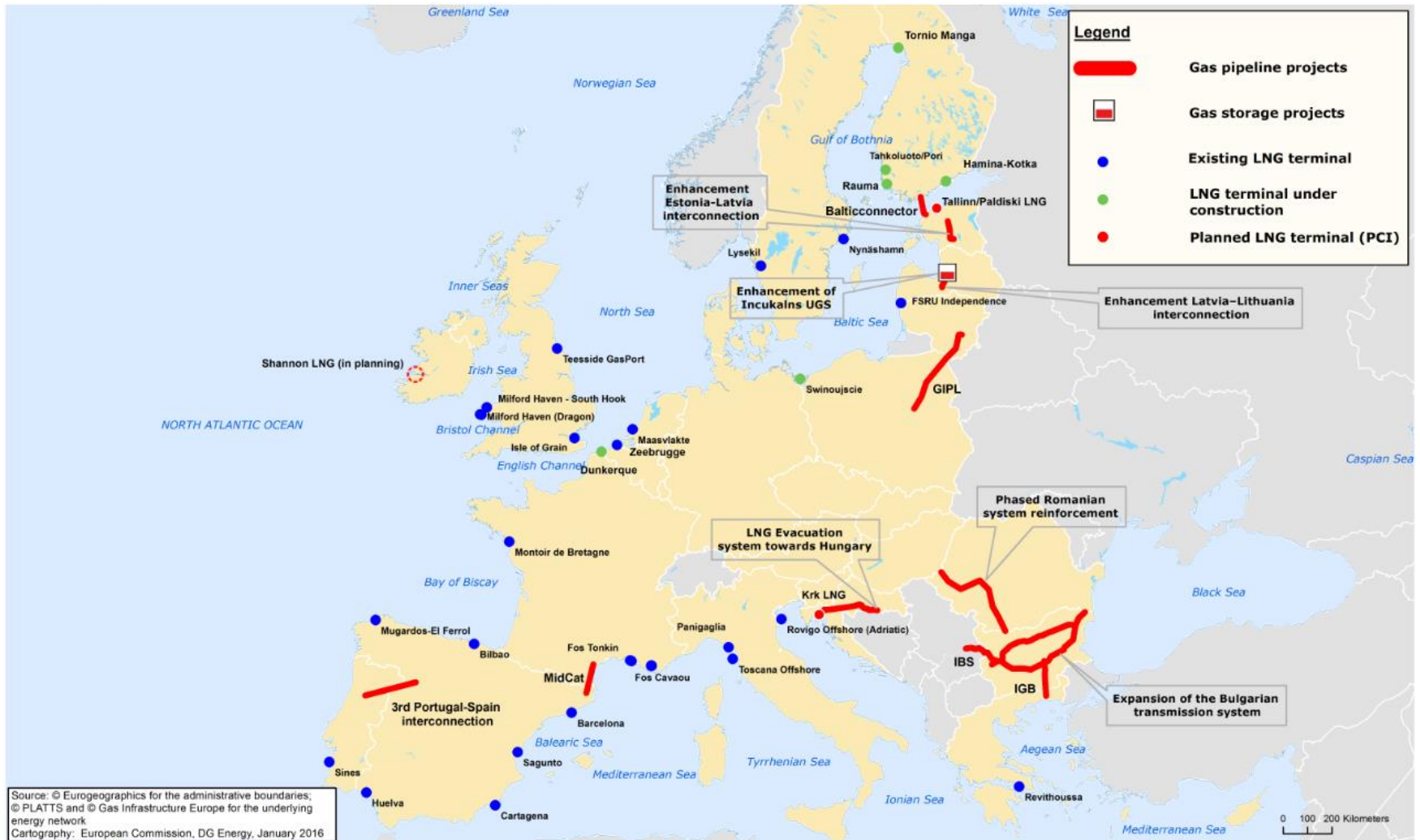
- *Accelerate FIDs and implementation*
- *Complete CBAs and choose most optimal solutions*
- *NRAs to propose an ambitious roadmap of regulatory solutions to support the CESEC process by mid-2016*





European
Commission

Once key projects are implemented....

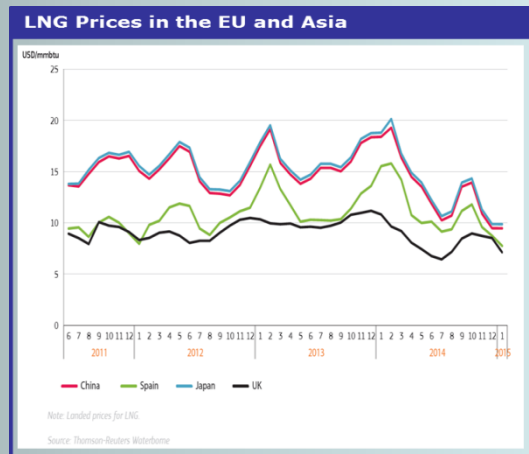
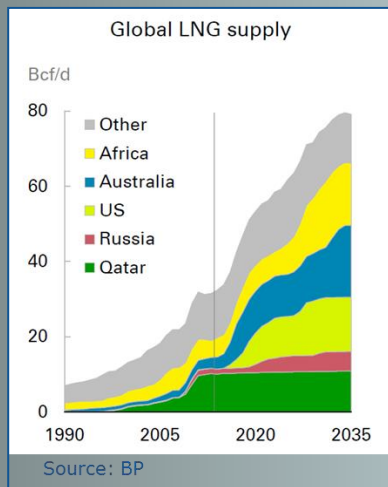


LNG and storage: important tools for diversification and flexibility

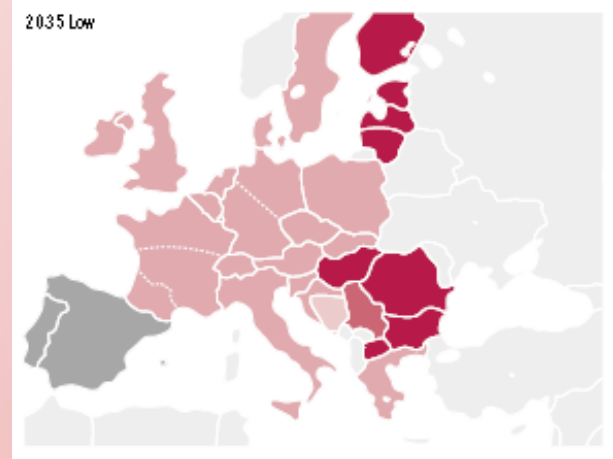
- Objective:**
- To make sure all Member States have access to diverse sources of gas, including LNG, through liquid gas hubs and to sufficient storage capacity
 - To make the EU attractive for LNG

LNG and gas storage – important contributors to the **SECURITY** of gas supply

LNG supply opportunity meets EU diversification need



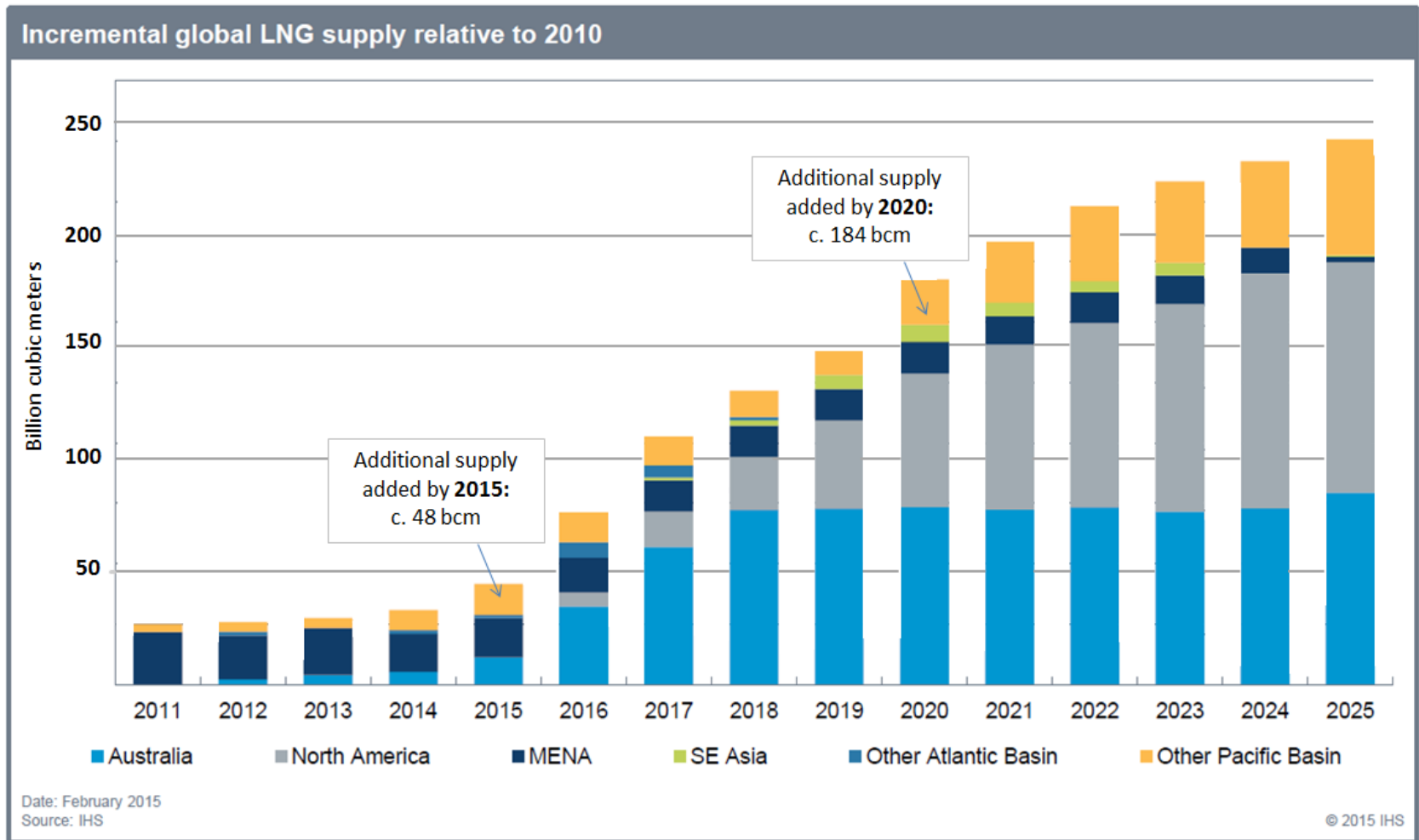
- Global LNG supply is set to expand dramatically, with the US and Australia becoming major players
- Asian and EU prices are converging...and falling

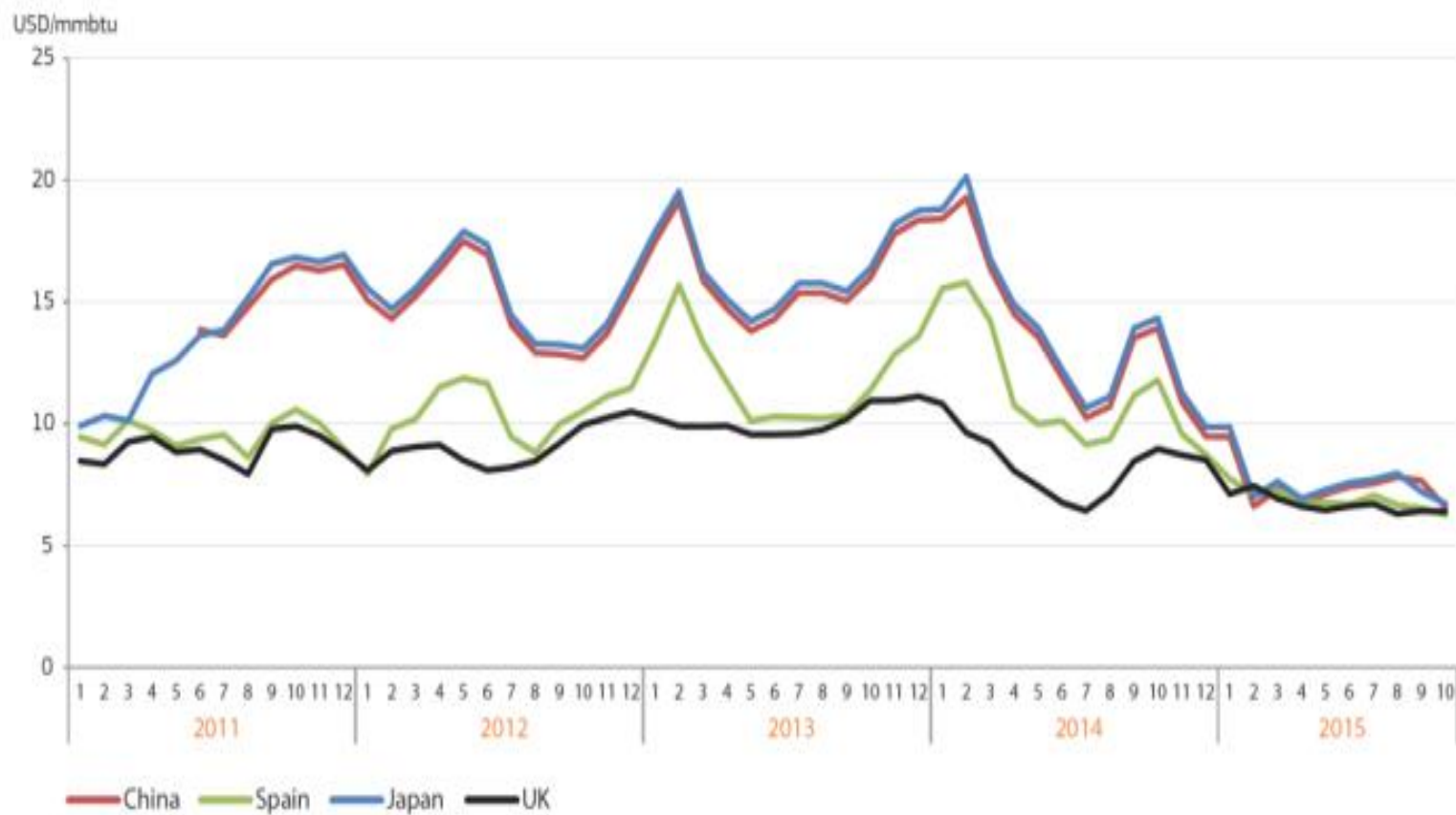


- South-East Europe remains the most vulnerable
- Important role of LNG and storage in crisis situations
- Benefits of cooperation



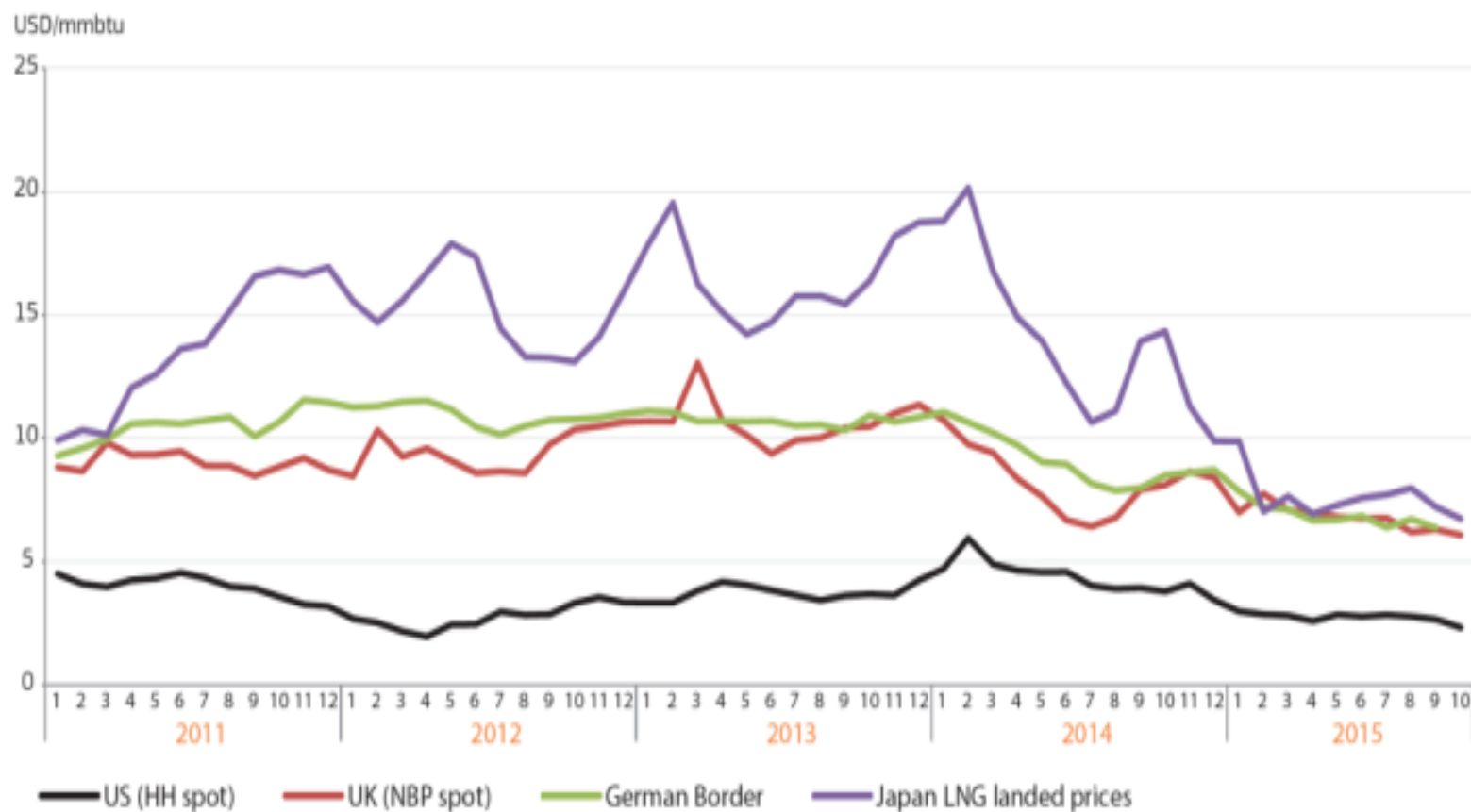
LNG supply set to grow significantly





Note: Landed prices for LNG

Source: Thomson-Reuters Waterborne



Sources: Platts, Thomson Reuters, BAFA

Thank you for your attention!

