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eBook:

Top opportunities for the
European gas industry in
the next 5 years

EAGC

6-8 NOV 2017

MILAN MARRIOTT
HOTEL, ITALY



By 2021 the global gas market is expected to have 55% more LNG than in 2015 and offering available regasification capacity and liquidity, Europe is set to absorb a large proportion of the new supply. Returning for its 32nd year in November, the European Autumn Gas Conference (EAGC) continues to focus on growing possibilities within the market and this eBook details the insightful views of pivotal industry leaders, in alphabetical order.

With numerous prospects for Europe on the horizon, we asked 10 industry experts to share their thoughts on the top opportunities for the European gas industry in the next 5 years.

We hope you will enjoy this eBook and can join us at the **European Autumn Gas Conference**, for an exclusive opportunity to gain insight into the changing dynamics of the European gas market.

Kind Regards,



Rebecca Badcock
Online Content
Gastech Insights / EAGC



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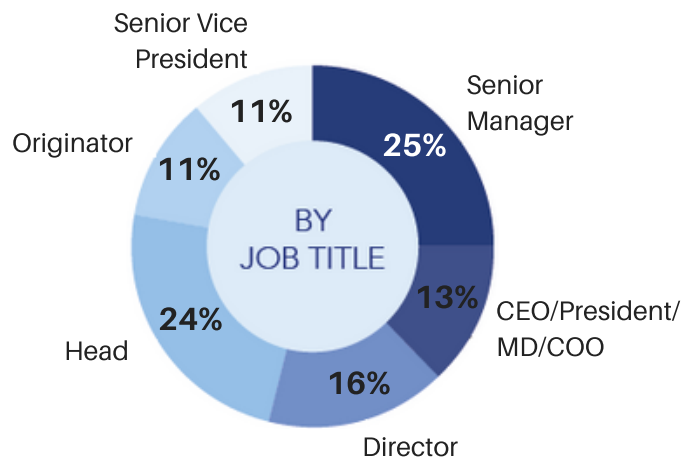
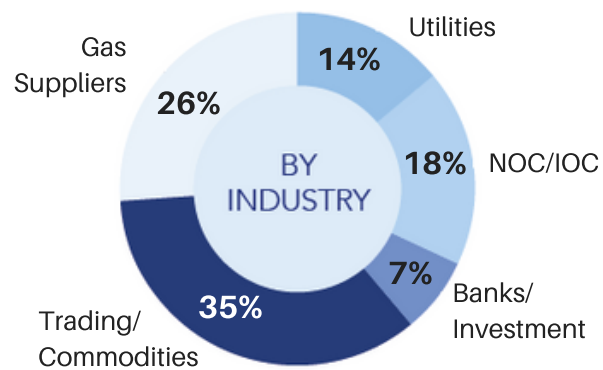
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EUROPEAN AUTUMN GAS CONFERENCE

WHY ATTEND EAGC?

- Gain unique market insight from the board rooms of Europe's energy powerhouses
- Hear first-hand from policy makers in Brussels and from capital cities across the continent
- Understand how gas and LNG market dynamics will move on a European and global level
- Discover what Europe's biggest buyers see as the future for power generation - what will the energy mix be? How does gas fit into the picture vs alternatives?
- Learn where the investment opportunities are in the energy and infrastructure space across Europe

WHO ATTENDS EAGC?



About EAGC 2017

30+
speakers



24
countries



200+
delegates



100+
companies



50
VIPs



Guy Broggi

Senior LNG Advisor
Total



In Europe, the gas industry is facing numerous challenges and opportunities must be found. The first and foremost opportunity is the use of LNG in transportation. Ship bunkering with LNG is a trend that will provide a new outlet and will give the industry a lot of activity. The next five years will be crucial to prove it.

On the power side, the gas industry must be very creative to go against the general idea that fossil fuels are not here for a long time. The use of biogas might help alleviate the general reluctance on fossil fuel usage. Coal switching may be fine in countries where the cost of CO2 has been installed but the real competitor remains the renewable technologies.

For the gas industry, the key opportunity in the longer term is almost written with renewables leading the power sector while natural gas can still survive within the heavy transportation sector like ships, trains, and even airplanes.



Anton Buijs

Chief Communication Officer
Gasterra



The energy industry faces a major transition. The Paris Accord and the need to reduce CO2 emissions should not be seen as a threat but offers a key opportunity: gas can help to accomplish, a fully sustainable energy supply, as partner of renewables and as supplier of renewable energy.

I strongly believe that, if we want to be seen as a serious partner in the climate debate, particularly in Europe, we should increasingly focus our strategy on the development of renewable gas. We need to emphasize that our industry continues to produce, sell and distribute a commodity that society, despite increasing energy efficiency, needs to meet growing energy demand.

However, the source of that commodity will gradually shift from fossil gas reserves to cleaner alternatives. Renewable hydrogen and biogas may be small niche products now, but they are rapidly gaining market share. This process will continue, probably faster than many in the gas industry envisage. The energy future will be even more versatile than today and gas will remain an indispensable part of it if the industry acknowledges that it needs to become fully CO2 neutral gas and acts accordingly.



Francisco P. de la Flor

Director of Regulation
Enagás



The EU gas market has been evolving during the last few years towards the achievement of a competitive, secure and sustainable single market. This is mainly being achieved by the EU regulatory framework, including the Third Energy Package. Some later features of the existing framework are still being implemented across the EU, such as the network codes or the expected implementation of the revised EU regulation on security of gas supply.

Looking to the next 5 years, there are many opportunities arising not only from the on-going energy transition, but also from the regulatory developments. The European Commission has recently launched the "Quo Vadis Study". This initiative aims to identify potential shortcomings of the existing regulatory framework and to discuss additional regulatory measures which would lead to EU welfare improvement.

The outcome of this study can be used by the European Commission in 2018/2019 to develop a legislative proposal for a new EU gas market design. This legislative proposal would be also accompanied by those elements from the Clean Energy Package which the Commission believes must be also implemented for gas.



Chris Hawkes

Safety Director

International Association of Oil and Gas Producers



Europe needs natural gas; with 50% of Europe's heating being provided by gas. It is a clean, flexible and particularly affordable source for European households.

In power generation, as Europe moves away from coal (which accounts for over 80% of emissions for only a quarter of the mix) natural gas is the ideal partner for renewables when the wind is not blowing and the sun is not shining and thus will help to achieve the ambitious climate targets. Natural gas is also a cost-efficient way of solving air quality issues wherever people still rely on coal or biomass as energy sources. Currently about 55% of the European gas demand is supplied by domestic resources, but operating fields are depleting quickly.

Within the next 5 years and after, significant investment is needed to replace this depletion. In Europe, we have sufficient gas resources and the skills to produce them in a sustainable manner, however, we have to start now.



Didier Holleaux

Group Executive Vice President
Engie



In the next 5 years, the main opportunity is to eliminate coal by displacing and replacing it with gas so we can then have a very efficient and low-carbon mix of gas and renewables. In addition, we must prepare for the fully-fledged hydrogen economy, as we strongly believe that in the medium and long term hydrogen will be the fuel of choice.

That is why we decided to launch a few months ago, the Hydrogen Council, a global CEO-level initiative of energy, transport and industry multinationals with a united vision and long-term ambition for hydrogen to foster the energy transition.

Having increased levels of gas in the energy transition will lead us to a more sustainable future, and in addition, the gas industry is the best placed to handle the shift towards the hydrogen economy.



Martin Houston

Executive Vice Chairman and Co-Founder
Tellurian



The main opportunity for the European gas industry in the next 5 years is that we have to continue with the removal of coal-fired power generation and the replacement or substitution with gas-fired power.

The notion that we are shutting down gas-fired power stations in mainland Europe in favour of coal-fired power stations is difficult to understand why any government would allow that or create the environment where it could happen.

We must do something to ensure we maximize the use of our CEG power and make the choices that say we stand for this type of power generation. We need everybody on the same pitch with the same agenda, delivering results for the same societal benefits.



Piotr Kus

Director
Gaz-System



The European gas industry may well benefit in the upcoming years if appropriate tools are put in place across the European Union to allow the gas markets to develop further. It is of utmost importance that the industry takes steps with the support of EU institutions to diversify gas supply sources and distribute them on a regional level.

Commissioning of key projects that are in compliance with EU law, is expected to have a positive impact on how the gas markets function and will bring substantial socio-economic benefits for the gas consumers.

The opportunities will be achieved in Central and Eastern Europe if the markets in the region enhance their access to new sources of gas supply such as, LNG from the terminal in Swinoujście and Norwegian gas via the Baltic Pipe project and if the individual gas markets are better interconnected. These investments will create conditions for the development of a diversified and competitive regional market. In addition, they will also contribute towards efficient implementation of the EU climate objectives.



John Roberts

Energy Security Specialist
Methinks Ltd

A key opportunity for the European gas industry is that gas has to sell itself to the public in a much better form.

Almost any scientist or economist will tell you that the most cost effective way of cutting carbon emissions is to replace coal with gas. However, there is a popular perception that gas should be discounted because it a fossil fuel and therefore emits carbon.

People question how something that emits carbon can actually help.

The problem we face is that while gas is good in the short term and medium term, it becomes part of the problem in the long term and not part of the solution. The gas industry must face this and understand that if gas is to be a bridge - a transition fuel - it has to position itself as a partner to renewables and not as a rival. This requires a considerable change of attitude on the part of the renewables industry, as well as a much greater governmental flexibility concerning the kinds of subsidies available.

Above all, it requires carbon taxes to be instituted or enhanced.



Mark Simons

Director
Energy Flux



The best opportunity for gas in the short term in the European market is in power generation. Given the way that gas is becoming much more price competitive versus coal, there is a great opportunity for gas to grow its volumes.

We have seen tremendous growth in gas demand in the UK (gas demand was up 12% in 2016) and there is an opportunity for Continental Europe to do the same.

The imposition of carbon price floors has been the key driver of that growth in the UK and it would be great to see more of that across Europe from European governments.



Andree Stracke

Chief Commercial Officer Origination and Gas Supply
RWE Supply & Trading GmbH



I believe the gas market is progressing, and we are not stepping back. TTF will advance, the German market, such as gas pool and NCG will continue to grow and I am a strong believer that PSV will begin to prosper. As well as these, the Central European gas hub will grow too.

Whether there is an opportunity to create another market which is even further East or South East remains to be seen, as the problem is that individual markets like Romania, Bulgaria and Hungary are not large enough to develop.

There is real potential in Ukraine and if it were a European country, there would be huge demand and infrastructure with long term potential, but not in the next 5 years.



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