

Eurogas supports an Energy Union: Recommends near-term actions to advance progress

Brussels, 6 February 2015: An energy union should boost market integration by enhancing regional cooperation and by diversifying energy sources and routes to benefit the EU and all European citizens, states a new Eurogas paper on energy union published today. But the overarching message of the paper is: trust the market to do its job!

The new paper, entitled “Eurogas Views on the Energy Union and Enhancing Supply Security” is released ahead of the Commission Communication on Energy Union due at the end of this month. The association sets out its priorities for such a union to work.

An interconnected and integrated energy market with better cooperation at national, regional and European level holds strong potential to improve affordability and security of supply to all energy consumers. Gas can play a vital role in such a market, delivering efficient energy services as well as economic and environmental benefits.

“Trust the market,” urged Gertjan Lankhorst, President of Eurogas, speaking today at the Energy Union Conference in Riga. *“Market fundamentals are not only the most efficient force to secure supplies but also pave the way to a low-carbon society,”* he added.

To provide efficient price signals for a low-carbon market, steps should be taken to strengthen the Emissions Trading Scheme (ETS) and develop appropriate economic values for energy efficiency and demand-side response. With increased deployment of variable renewables, the necessary backup should be available and solutions should be flexible. A smart energy system provides this flexibility and gas is an important part of it as a primary source with low emissions, as a means to improve efficiency and as a partner to renewables.

With regards gas deliveries, a well-functioning market will make Europe more attractive for global suppliers. Imports optimise the economic advantages of international trade. Establishing hubs and commerce-driven cross-border flows, including bi-directional flows, will improve market liquidity at the national and regional levels.

Measures that would create market distortions (e.g. collective purchasing, aggregating demand on a voluntary basis, an EU framework for gas storage or intervention in the LNG trade) should be avoided.

According to the paper, the true value of an energy union could be achieved through its capacity to:

- complete a fully interconnected and integrated market;
- create a predictable and stable coordinated regulatory framework that will build investor confidence, allowing the market to deliver the infrastructure that Europe needs; and
- provide a unified, diplomatic voice that can enhance relations across global energy markets, including with supply and transit countries.

Read the full [position paper](#) from Eurogas available now.

Note to Editors: Eurogas is an association representing 42 companies and associations engaged in the wholesale, retail and distribution of gas in Europe. Eurogas provides data and information relevant to EU decision makers and opinion formers in making the right policy choices.

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