The European Union of the Natural Gas Industry

The Internal Energy Market

A Eurogas Position Paper

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The European Union of the Natural Gas Industry

Eurogas is the association representing the European gas wholesale, retail and distribution sector. Founded in 1990, its members are some 50 companies and associations from 27 countries.

Eurogas represents the sector towards the EU institutions and, as such, participates in the Madrid Gas Regulatory Forum, the Gas Coordination Group, the Citizens Energy Forum and other stakeholder groups.

Its members work together, analysing the impact of EU political and legislative initiatives on their business and communicating their findings and suggestions to the EU stakeholders.

The association also provides statistics and forecasts on gas consumption, as well as information on energy taxation in Europe. For this, the association can draw on national data supplied by its member companies and associations.

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Eurogas policy asks

1. Improved implementation of the Third Package

The Commission and other institutional bodies should continue their activities to ensure **robust implementation of the Third Energy Package** and a level playing field for market players in all Member States. Initiatives should also be undertaken by European associations to make proposals for improvement.

2. Continued progress on Codes

Timely **progress should be achieved on the determined Codes and Rules**. The established good consultation procedures organised by ENTSOG should be continued, and ACER and the Commission should be equally open to dialogue with stakeholders. **The Codes should underpin closer co-operation among TSOs and NRAs**, reflected in harmonising operational procedures and technical interoperability that will facilitate new and existing business. While pilots on trading zones may enhance understanding of market possibilities, the focus of efforts has to be on implementing the basic rules as set out in the Third Energy Package and Codes.

3. Favourable investment climate

Implementation of the infrastructure package is necessary to speed up development on cross-European networks, and the outcome of the Ten-Year Network Development Plan (TYNDP) should be consistent and coherent with the implementation of the package. It is important to take into consideration investment needs when deciding other regulatory mechanisms, notably the "Code on Harmonised Transmission Tariff Structures" or the "Guidelines of Good Practice on Open Season".

EU policy should also acknowledge the long-term value of gas in the energy mix, giving confidence for the necessary future investments.

4. External energy policy respecting different roles

The EU should continue to assure a political framework with producing countries outside Europe, engaging in dialogue on points of mutual interest and in general create a relationship conducive to good commercial relations. **Commercial decisions should, however, rest with entrepreneurs.**

5. Involving the customer

The Commission, in close co-operation with CEER, ACER and all stakeholders, **should continue with work, particularly through the Citizens' Energy Forum,** that will contribute to customers' improved understanding and involvement in the market. Approaches need to be pragmatic and recognise that different customers have different needs. Supply companies have to be able to offer innovative products and price formulas.

Eurogas supports further work on vulnerable customers. The definition of vulnerable customers is a matter for Member States and will therefore likely be derived from national traditional practices and social policy. **Key EU principles** with the emphasis on the role of the market and good practices **should be developed to assist Member States in determining their approaches.**

Eurogas supports that **the Commission should continue its actions to encourage a progressive phase-out of regulated gas prices.** Vulnerable customers should be protected but social measures should not hinder market functioning, should be proportionate and should not entail heavy administrative costs.

6. Energy efficiency benefits

Member States should emphasise the importance of energy efficiency improvements including in measures to address customer vulnerability and energy poverty.

Cost-benefit analyses of smart meter installation for gas should be carried out. Where smart-meters are installed, data privacy needs to be safeguarded.

Market design in the retail market needs to be assessed to determine how the market can be broadened and deepened in the interest of customers. Such an assessment should include setting out clear roles and responsibilities in the retail market, considerations in which DSOs need to be fully involved.

7. Energy market developments

The Commission should address the failing ETS system as a matter of priority and also introduce measures to remove market imperfections arising from diverging national approaches on RES support schemes by harmonisation and gradual phase-out. Moreover, the **Commission should ensure that RES gradually assume responsibility for scheduling, nomination and balancing in the electricity market.**

8. Capacity remuneration mechanisms

Capacity remuneration mechanisms can be an effective measure to address security of electricity supply where the energy-only market does not do so. Due to the inherent risk of capacity remuneration mechanisms to distort the market they should be carefully designed. They should **ensure the provision of required firm and reliable capacity. Flexibility should be adequately rewarded by the spot and balancing market, but if this is not the case, their design should also consider the flexibility needs of the system.**

Any impact on the **internal energy market** and its further implementation **should be minimised** and attention should be paid to the potential impacts of capacity remuneration mechanisms on the **gas market**.

Eurogas general comments

Eurogas strongly supports the need for a well-functioning EU energy market that provides a level playing field and delivers an outcome of successful energy competition in which the energy industry can respond to new opportunities, and consumers can benefit from access to a market that is reliable, affordable and easy to understand, while the most vulnerable are protected.

Gas should play a key role in the future energy mix and contribute to sustainable economic growth and a more competitive European industry.

The Communication, *Making the Internal Market Work,*[1] with its accompanying working papers, offers a valuable analysis into the energy market and a sound basis for discussion on what further actions are necessary.

Eurogas welcomes the Communication's recognition of progress in several aspects of gas market operations, confirmed by ACER's/CEER's monitoring report and agrees, however, that more needs to be done to build on the achievements as well as secure more harmonised and converging market developments across Europe as a whole. Member States should ensure, therefore, a robust implementation of the Third Energy Package. The Communication also rightly underlines the need to take a holistic approach to energy market issues, as the interaction between gas and electricity markets becomes more obvious. In order to achieve a robust gas market in Europe, able to attract the future supplies that Europe needs in a world where the appetite for gas is growing, the energy market as a whole must function well.

Eurogas underlines below its objectives and principles of approach for the internal gas market.

- The achievement of the internal energy market and of the objectives of sustainable development, security of supply should be coherent and policy measures consistent.
- A well-functioning market, coupled with recognition of the importance of gas in the energy mix, will attract supplies to Europe at a time when the global market for gas is growing.
- A low-carbon energy supply should be driven by fair competition among different low-carbon technologies.
- The Third Energy Package laid the foundations for a robust internal market in gas and electricity and its implementation needs to be delivered across Europe. Eurogas is concerned that incorrect or delayed implementation in some regions leads to distortion of competition, impairs market development, detracts from overall market progress and stores up problems for the future.
- The process to develop Codes and rules should aim at improved co-operation among transmission system operators (TSOs) and national regulatory authorities (NRAs), reflected in harmonised practices and operations that take account of users' requirements. The role of distribution system operators (DSOs) as a

[1] COM (2012) 663.

regulated entity also needs to be recognised and DSOs fully consulted in the process.

- Regulation in the forms of operational and market Codes and rules must be pursued in a timely and efficient manner but should be tailored to market needs and built on an extensive dialogue with stakeholders.
- A stable regulatory framework should be designed to favour investment and deliver reliable signals on future market needs.
- Now that the wholesale market design and its implementation are making good progress, attention needs to turn to stimulating further the retail market. Consumers have to be able to play their full part in participating in the energy market, while the most vulnerable in our society have to be protected. Social measures, however, should not hinder market functioning, should be proportionate and should not entail heavy administrative costs.
- A well-functioning market also relies on determining an appropriate role for DSOs, while taking into account the complexities and costs of achieving the market design objectives.

In the light of these main considerations, Eurogas offers the following analysis and thoughts on the Communication as well as suggestions for the way forward.

1. Improved implementation of the Third Package necessary

Eurogas is pleased that the analysis of the Commission confirms our perceptions that the rhythm of progress in the internal market is quickening, with a marked expansion of hub activity, their churn rates and regional price convergence. Eurogas is confident that market dynamics will accelerate these positive trends and notes too that new trading hubs are being put into operation. Where remaining problems are still detected in capacity use or flows in the market, these should be solved by the new rules on congestion management recently put in place and the "Network Code on Capacity Allocation Mechanisms" to be adopted this year. Confidence in the market is increasing and this will be enhanced further as the "Regulation on Wholesale Energy Market Integrity and Transparency" is implemented.

Nonetheless, as the Communication and also the supporting analyses show, there are still areas of Europe where serious barriers to the internal market at the wholesale level remain and customer choice is not available. Eurogas supports the actions of the Commission to launch infringement cases, but this can only be part of the solution. Legal action must be backed by steps to convince parties concerned of the benefits that the internal market will bring and to assist them in understanding better what needs to be done. Eurogas recognises that this cannot only be the responsibility of the Commission. ACER, CEER and energy industry associations have a part to play through their memberships in those areas.

Eurogas will consider how its activities can contribute to regional focused work on implementation. Actions are already pursued by CEER and ENTSOG but should be increased.

Policy asks

The Commission and other institutional bodies should continue their activities to ensure robust implementation of the Third Energy Package to ensure a level playing field for market players in all Member States. Initiatives should also be undertaken by European associations to make proposals for improvement.

Meanwhile, the work on early implementation of Codes and rules, and other initiatives that lead to more harmonised rules and improved co-operation among TSOs and among NRAs should be pursued, especially between adjacent TSOs and NRAs. All stakeholders should be involved in their development.

2. Continued progress on Codes

The Communication notes the progress on the preparation of gas market Codes. The key Codes on Capacity Allocation Mechanisms (CAM), Balancing, Tariffs and Interoperability provide for the fundamentals of internal market operations. Eurogas also underlines the importance of the transparency rules added to the "Guidelines to the Access Regulation".[2] Compliance by TSOs is essential. Eurogas would like to see the flow of information as near real time as possible. The establishment of a multi-TSO booking platform is a welcome step in facilitating network use and cross-border trade.

The development of the Codes and Rules is generally going well. Eurogas participates fully and has only praise for the inclusive process organised by ENTSOG for their preparation. It is a matter of regret that it now looks as if the CAM Code timetable is slipping beyond 2014. Timely delivery is important. Nonetheless, it will be better for their eventual application if the Codes are the product of a wide consensus. It is for example a matter of regret that the CAM Code maintains the proposal on mandatory bundling of interconnection point capacity on which Eurogas and other stakeholders have expressed strong concerns. Eurogas respects the role of ACER and the Commission in looking to the wider public interest in their inputs, but they should heed also the outcome of the stakeholders' process.

Policy asks

Timely progress should be achieved on the determined Codes and Rules. The established good consultation procedures organised by ENTSOG should be continued and ACER and the Commission should be equally open to dialogue with stakeholders. The Codes should underpin closer co-operation among TSOs and NRAs, reflected in harmonised operational procedures technical interoperability that will facilitate new and existing business. While pilots on trading zones may enhance understanding of market possibilities, the focus of efforts has to be on implementing the basic rules as set out in the Third Energy Package and Codes.

[2] Amendments to Annex I of Regulation (EC) No 715/2009 No.715(2009).

3. Favourable investment climate

Eurogas shared the concerns of other stakeholders that the CAM Code did not address the question of incremental investment. It is important that investment is market driven, and therefore that allocation procedures, designed to optimise the use of existing capacity, are complemented by procedures that give further signals for future investment. Eurogas, therefore, supports the introduction of regular market tests at interconnection points to provide signals on routine investment to meet users' needs and avoid stranded investment. For large non-routine investments Open Season should be maintained, but there is need to improve implementation of the principles of the current "Guidelines of Good Practice on Open Season" preparatory to improving the Guidelines. The "Code on Harmonised Transmission Tariff Structures" is also relevant because tariff design and levels should send robust market signals and minimise cross-subsidisation.

To deliver, moreover, efficient investment at European level, there has to be a strong European dimension for co-ordinated planning. Eurogas, therefore, supports the valuable work of ENTSOG on the Ten Year Network Development Plan (TYNDP), on which co-ordination with ENTSO-E's equivalent work will also bring added-value. The stakeholders have to be involved, particularly at regional level to ensure that the outcome is driven by the market and does not follow central planning tendencies.

Eurogas supports the infrastructure package. The market-based emphasis correctly remains the cornerstone of the approach. Eurogas recognises, however, that some financial support may be justified for a project of common interest (PCI), if it provides economic and social benefits unlikely to be achieved if only commercial criteria count. Market distortions, however, have to be avoided and private players should not be disadvantaged in relation to regulated TSOs. There should be confidence that appropriate levels of public support will benefit EU solidarity as well as end-users. Making permitting procedures faster and less complex is also a priority.

Commission policy, however, should explicitly recognise that long-term planning is essential to the gas business. Imports from non-European sources will necessarily increase and should be facilitated by a favourable, stable and predictable regulatory framework. Long-term visibility of future investments is also necessary for security of supply. Moreover, EU policy should send positive signals to potential investors about the future role of gas in the energy mix.

Policy asks

Implementation of the infrastructure package is necessary to speed up development on cross-European networks, and the outcome of the Ten-Year Network Development Plan (TYNDP) should be consistent and coherent with the implementation of the package. It is important to take into consideration investment needs when deciding other regulatory mechanisms, notably the Code on harmonised tarification or guidelines of good practice.

EU policy should also acknowledge the long-term value of gas in the energy mix, giving confidence for the necessary future investments.

4. External energy policy respecting different roles

As Europe will need, in future, increasing supplies from non-EU countries, from diversified sources and by means of different routes, it is essential to have in place a robust external gas supply policy.

Eurogas has supported the clarifications of the Commission's role on external energy policy. It offers a positive framework in which companies can pursue commercial interests outside Europe. Finally, the "Decision on Intergovernmental Agreements" reached an acceptable compromise, with regard to commercial confidentiality.

Policy asks

The EU should continue to assure a political framework with producing countries outside Europe, engaging in dialogue on points of mutual interest and in general create a relationship conducive to good commercial relations. Commercial decisions should, however, rest with entrepreneurs.

5. Involving the customer

The Third Package, while focusing on the improved organisation of the wholesale market, also includes important consumer focused provisions. The objective of market opening was to provide consumers with the benefits of a more competitive market. It is increasingly obvious that customers themselves have a role to play in shaping such a market. The spread of good practices will encourage this trend. Eurogas welcomes the actions underway to stimulate customers' informed participation and empowerment and recalls that energy suppliers, because of their customer-related activities, have a valuable role to contribute in identifying customers' interests and needs.

At the same time, Eurogas agrees on the necessity to have in place appropriate national approaches to protect vulnerable customers. Eurogas considers that robust competition is the primary means to safeguard the interests of all energy consumers and provides an incentive for market participants to behave responsibly. The wider issues of affordability of essential services and products and of solidarity are matters for social welfare policy and responsibility for identifying whether or not a customer is vulnerable should lie with those who have access to the necessary information, experience and skills. Eurogas urges, however, that each Member State defines the concept of vulnerable customers in line with the Directive's requirements. Eurogas will continue to work with the Commission and other stakeholders to develop guidance that may be useful in determining good practices in national contexts.

Eurogas shares the Commission's concern about the prevalence of regulated prices, which can hinder market entrance and distort competition particularly when they are set below market price or are below cost. When there are justified arguments for maintaining some form of regulated prices, these should be a temporary measure as part of the transition to a fully competitive market.

Policy asks

The Commission, in close co-operation with CEER, ACER and all stakeholders, should continue with work, particularly through the Citizen's Energy Forum, that will contribute to customers' improved understanding and involvement in the market. Approaches need to be pragmatic and recognise that different customers have different needs. Supply companies have to be able to offer innovative products and price formulas.

Eurogas supports further work on vulnerable customers. The definition of vulnerable customers is a matter for Member States and will therefore likely be derived from national traditional practices and social policy. Key EU principles with the emphasis on the role of the market and good practices should be developed to assist Member States in determining their approaches.

Eurogas supports that the Commission should continue its actions to encourage a progressive phase-out of regulated gas prices. Vulnerable customers should be protected but social measures should not hinder market functioning, should be proportionate and should not entail heavy administrative costs.

6. Energy efficiency benefits

Eurogas agrees on the importance of demand reduction and energy efficiency. Improving energy efficiency among consumers in economic hardship will have the double benefit of assisting the financially vulnerable customer and reducing carbon dioxide (CO_2). Eurogas members are already active in a range of energy efficiency schemes. Their relationship with customers makes them well-placed to give advice in this area. Offering energy services is increasingly viewed by suppliers in the gas chain as essential to their commercial strategy.

Policy asks

Eurogas, therefore, agrees that Member States should emphasise the importance of energy efficiency improvements including in measures to address customer vulnerability and energy poverty.

Eurogas, however, sounds a word of caution on smart meters from the gas perspective. Gas smart meters will not afford customers the same opportunities as electricity smart meters to optimise their energy use and costs. Gas smart meters offer more limited functionalities than electricity smart meters. Residential customers, with gas smart meters and those using gas for heating, will know better and more frequently their consumption levels. However, this will not trigger demand response in the same way as for electricity because real-time pricing is not a factor to the same extent and heating systems are generally optimised. Gas smart meters, however, have the potential to make customers more aware of their costs and bills. Their installation should be explored and benefits analysed with that in view.

Policy asks

Cost-benefit analyses of smart meter installation for gas should be carried out. Where smart-meters are installed, data privacy needs to be safeguarded.

Eurogas considers that gas will continue to play an important role in the domestic retail market, which will evolve in new and challenging ways, involving the consumer in making more choices and bringing a more flexible market that should focus on customers' needs and be able to provide increasingly tailored solutions. In this well-functioning retail market, where customer engagement will emerge as an important shaping force, there has to be a clear distinction between competitive and regulated activities. DSOs should act as neutral market facilitators. Data-management exchange will be essential to underpin suppliers' development of products, customer switching and network balancing. The role of those responsible for data management should be filled according to a commonly agreed market design and the ability of the party/parties to meet efficiently the needs of the market and its customers.

Eurogas agrees that the role of the DSOs needs to be addressed taking into account the complexities and costs of reaching market design objectives. On service concessions within the internal gas market, Eurogas recommends that the Commission seeks to ensure appropriate implementation of the future Directive on the award on concession contracts, which will shortly be adopted by the European Parliament and Council. This Directive will provide a clear, precise and specific framework for concessions in the future, which will be different from existing public procurement in the EU.

Policy asks

Market design in the retail market needs to be assessed to determine how the market can be broadened and deepened in the interest of customers. Such an assessment should include setting out clear roles and responsibilities in the retail market, considerations in which DSOs need to be fully involved.

7. Problematic energy market developments

Eurogas is concerned that while the internal market for gas is growing more robust, problems affecting the wider energy markets are having an adverse impact on the gas market, depressing investment signals and disadvantaging the outlook for gas. This is an unfortunate development for the energy mix, since gas should be playing a growing role in reducing CO_2 by substituting for heavier carbon emitting fuels and facilitating the use of renewables. The Commission's "Energy Roadmap 2050" recognised the qualities of gas.

Eurogas especially welcomes the Commission's intention to address the issues of state intervention, since the present national approaches on RES support schemes and capacity mechanisms, for example, are causing confusion and inefficiencies in the market. Such approaches, Eurogas agrees, run counter to EU carbonisation and resource efficiency objectives. Instead European level approaches are needed, involving a coherent approach to climate change objectives, compatible with European internal market objectives. The electricity market is affected by a number of distorting regulations, notably wholesale and retail price regulation (*e.g.* price caps in wholesale markets), taxes and injection tariffs and restrictions or unnecessary regulatory requirements on plant operations. Lack of system responsibility for renewable energy sources to meet scheduling, nomination and balancing requirements also distorts the market. These distortions should be removed.

Eurogas thinks that a low-carbon energy market should be driven by fair competition between different low-carbon energy technologies, while the emissions trading system (ETS) should be revised to ensure that incentives for investment in the power market should be aligned with climate goals. The price of CO_2 allowances is currently at an all-time low and does not provide an incentive for investment.

Policy asks

The Commission should address the failing ETS system as a matter of priority and also introduce measures to remove market imperfections arising from diverging national approaches on RES support schemes by harmonisation and gradual phase-out. Moreover, the Commission should ensure that RES gradually assume responsibility for scheduling capacity nomination and balancing in the energy market.

8. Capacity remuneration mechanisms (CRMs)

Capacity Remuneration Mechanisms are currently considered in various EU Member States because the energy-only market does not deliver prices that enable thermal power plants to remain economic although they are needed to meet electricity demand at all times.

In some countries, regulatory obligations prevent power plant operators from mothballing or decommissioning existing plants, and investment plans for new installations have to be abandoned. All thermal power plants can be affected but in particular gas-fired power plants because of the high gas price in relative terms, putting them at the very end of the merit order.
All power plants require a long-term perspective to be built. Permitting procedures can take several years, as does construction. Gas-fired power stations can be built within a few years and their capital costs are relatively low. Whilst other power plants tend to make their money by providing a constant base-load, the more flexible gas-fired power plants tend to benefit from peak load hours or from the balancing market. They are therefore particularly attractive to back up electricity from intermittent renewable energy sources.

When the described market mechanism becomes distorted, power plants can become uneconomic and the natural incentive to build new plants can disappear. Strong contributors to such a situation are regulated end-user prices, price caps and floors, restrictions or unnecessary regulatory requirements on plant operations. Another factor is the increasing share of electricity from intermittent renewable sources, as this comes along with certain subsidy schemes and priority grid access with no responsibilities for meeting scheduling, nomination and balancing requirements. To prevent blackouts a sufficient level of backup capacity is required when intermittent renewable sources are unable to feed enough electricity into the grid.

As a first priority, Member States should therefore seek to remove these factors and thus the distortions of the energy-only market as quickly as possible so that maintaining, upgrading and building needed power capacities are incentivised over the short-term electricity price, as well as the outlook for the future.

However, it is acknowledged that it may take time for Member States to do so. Other measures, such as energy efficiency or electricity customers adapting their consumption patterns (demand response), or the availability of power storage options may all increase security of supply and flexibility but are unlikely to reduce the requirements for power generation capacity quickly and strongly enough. The current insufficient price signals in the energy market may also reflect a structural problem.

In such situations, capacity remuneration mechanisms can ensure that the power generation capacity required to meet electricity demand at all times will be available in the foreseeable future. This should also be the sole objective of capacity remuneration mechanisms since the addition of other objectives, e.g. environmental, risks interfering with other instruments and increases the risk of market distortion. At the same time, care needs to be taken that capacity remuneration mechanisms do not decrease the effectiveness of environmental instruments.

Capacity remuneration mechanisms should ensure the provision of required firm capacity. Flexibility should be adequately rewarded by the spot and balancing market, but if this is not the case, the design for a capacity remuneration mechanism should also consider the flexibility needs of the system.

For example, this is not the case if price signals, such as price spikes and price volatility, are not accepted and prices are capped or if other interventions, such as restrictions or unnecessary regulatory requirements on plant operations, endanger the ability of the market to deliver those flexible resources.

As capacity remuneration mechanisms constitute a market intervention and might entail others, there is an inherent risk that they distort the market themselves and hamper the further implementation of the internal energy market. Their design should therefore minimise that risk. They should address regional security of supply and they should be coordinated at EU level.

Experience suggests that any strong regulatory intervention, if insufficiently complementary to the existing energy market, leads the market to call for further regulatory interventions to adjust the system. This increases risks of adverse "spill-overs" to the natural gas market.

Eurogas notes that the problem of reduced operating hours of conventional power plants due to the growing share of electricity production from renewable energy sources may not only affect the outlook for gas-fired power plants. It could also cause a more intermittent use and congestion of gas grid infrastructure, and have an impact on the profitability of other gas infrastructures (particularly underground storage facilities), which are necessary for the delivery of fuel to the power plants concerned at peak times. Moreover, a reduced consumption by gas-fired thermal plants would increase the costs of infrastructures to be carried by other gas end-users, therefore reducing the competitiveness of natural gas. For these reasons, an impact assessment on the introduction of capacity remuneration mechanisms should concentrate on the electricity market but should also pay due attention to the gas market.

Policy asks

Capacity remuneration mechanisms can be an effective measure to address security of electricity supply where the energy-only market does not do so. Due to the inherent risk of capacity remuneration mechanisms to distort the market they should be carefully designed. They should ensure the provision of required firm and reliable capacity. Flexibility should be adequately rewarded by the spot and balancing market, but if this is not the case, their design should also consider the flexibility needs of the system.

Any impact on the internal energy market and its further implementation should be minimised and attention should be paid to the potential impacts of capacity remuneration mechanisms on the gas market.

Conclusions

Eurogas finds the Communication a sound basis for further work and co-ordinated action on developing a well-functioning internal energy market. Providing that existing legislation and secondary measures foreseen are implemented in a robust way, there should be no need for additional legislation in this area. Significant progress, especially in the retail market, can be achieved by a spread of good practices, in the identification of which regular dialogue with the energy industry is essential.

The energy sector, however, is facing a number of uncertainties related to future energy market developments, not least a harsh investment climate. Initiatives such as the infrastructure package help, but the key to gaining investor confidence across the gas chain lies in a more favourable, stable and predictable regulatory framework.

Future investment uncertainties are compounded in the case of gas by questions about its role in the future energy mix. Gas should continue to have a key role, contributing to sustainable economic growth and a more competitive European industry but is facing a number of challenges in this respect. Policy actions identified in the Communication address market issues that should help to deliver a more level playing field for gas, respecting a technology-neutral approach and entrepreneurial responsibilities for investments, and these actions should be pursued, with the way forward being fully discussed with the energy industry.

Above all, EU policy should acknowledge the long-term value of gas in the energy mix, giving confidence for the necessary future investments.