

## Unconventional/Shale Gas: *Policy Recommendations*

### Policy Recommendations

**Eurogas members' view is that policy towards shale gas should be determined by what is best for our customers' welfare. As always, this means that economics and security of supply should be in the driving seat, while the business activities that provide gas to our customers must respect the highest environmental standards.**

- All gas developments in the EU, whether from sandstone or from shale structures, should be fully compliant with the highest health, safety, and environmental standards.
- Economics should be the driver of production and purchase choices:
  - The economics of gas in international trade (which may be from either sandstone or shale sources) should continue to be assessed relative to the economics of domestically-produced shale gas.
  - Companies should decide whether to buy gas or to produce it. This market test should be the determinant of the split between the amount of domestic production and the amount of imports in the portfolio of Europe's gas supply.
- Domestic gas production helps with security of supply but alone does not ensure it:
  - Diversity, storage, interconnection and flexible supply are all crucial to ensuring security as well.
  - New supplies, including supplies from domestic shale gas, will tend to benefit customers as they will keep prices lower than they would be in the absence of new supply.

**Europe's policy guidelines should therefore be:**

- ***The highest environmental standards.*** Indigenous gas production, whether 'conventional' or 'unconventional', should be conducted according to the highest environmental standards in Europe. We believe that local mining and planning laws in Europe, which largely reflect or are consistent with EU environmental law, provide that standard today. The public authorities should check that local mining and planning laws, and water regulations, are suitable also for tomorrow's gas production.
- ***The market.*** It should be up to companies to decide whether it is better to look for and produce shale gas, tight gas, other types of natural gas... or to trade for gas in international markets ... or to make, buy and blend biogas ... based on what is best value and most secure for their customers.
- ***Diversity.*** New gas production, wherever it is located and whatever its form, will always help to bring warmth and power to European customers. There should be a general level of policy support for increasing indigenous production as part of diverse energy supply.