

# 26<sup>th</sup> World Gas Conference

1 – 5 June 2015, Paris, France



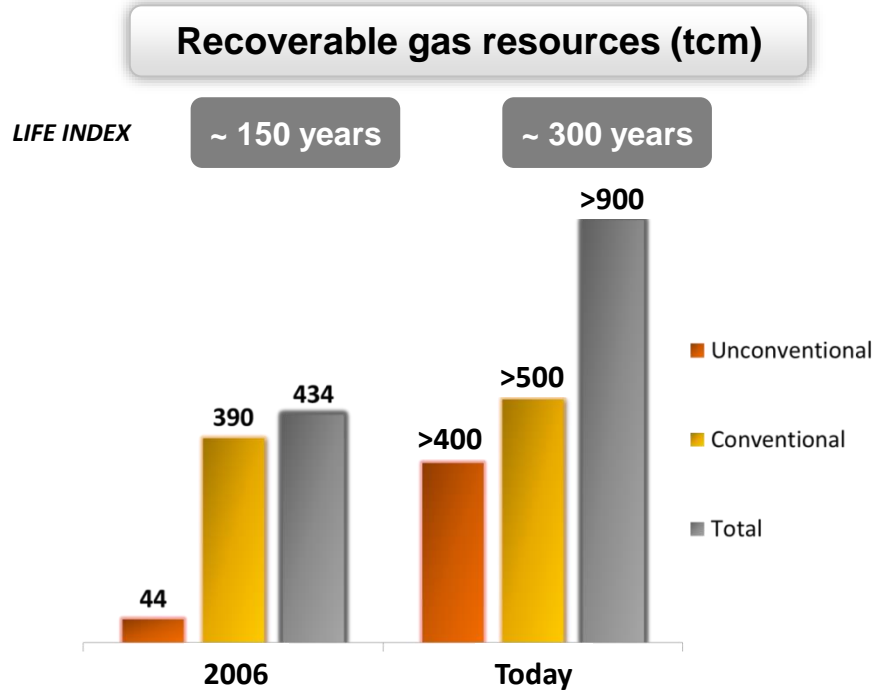
Role of gas and key challenges in Europe

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# World gas revolution, doubling of global resources



**Resources doubled enhancing the security of supply for gas**

# Key energy challenges for Europe

## Key challenges

- 1 Price competitiveness (merely vs US)
- 2 Security of supply
- 3 Ambitious climate agenda



## Answers

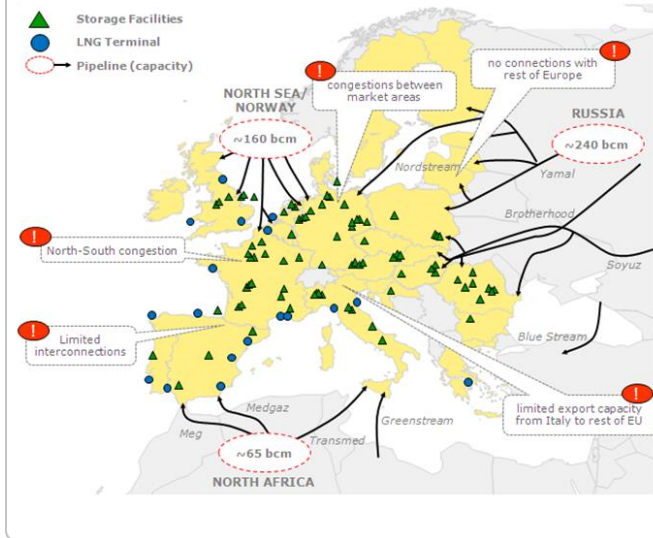
- Build a single, integrated gas market
- Enhance partnership with key gas suppliers (Algeria, Norway, Russia,...)
- Strengthen ETS with complementary policies
- Strong partnership between Gas and Renewables

# Europe has direct physical access to the world's cheapest gas resources

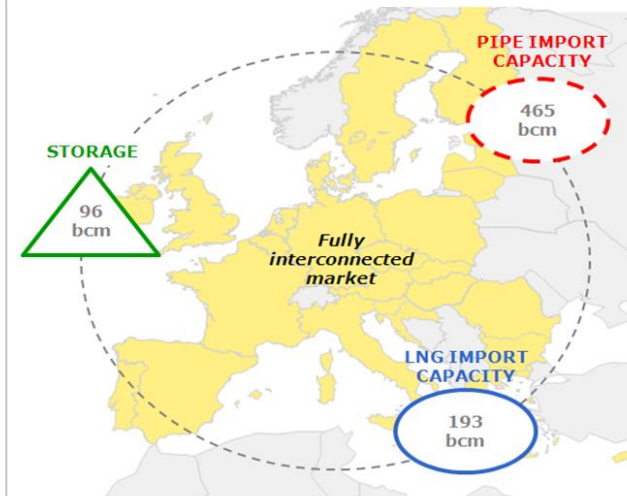


# EU needs to become one integrated market to ensure security of supply and competitive prices

## FROM 28 SEPARATE GAS MARKETS ...



## ... TO A FULLY INTEGRATED MARKET



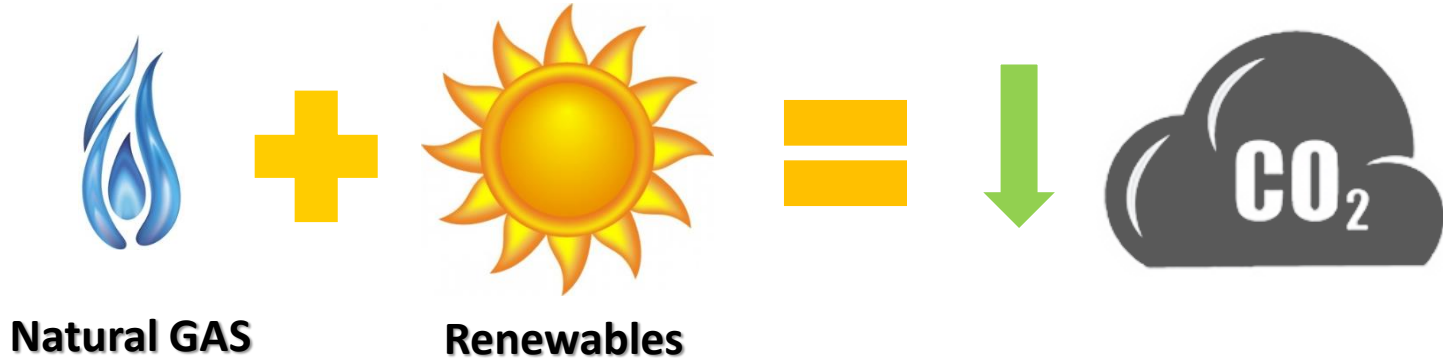
Necessary to develop **liquid gas hubs**:

- Eastern Europe
- Ukraine
- Turkey

**Enlarged Europe can become the largest and most liquid gas market in the world**

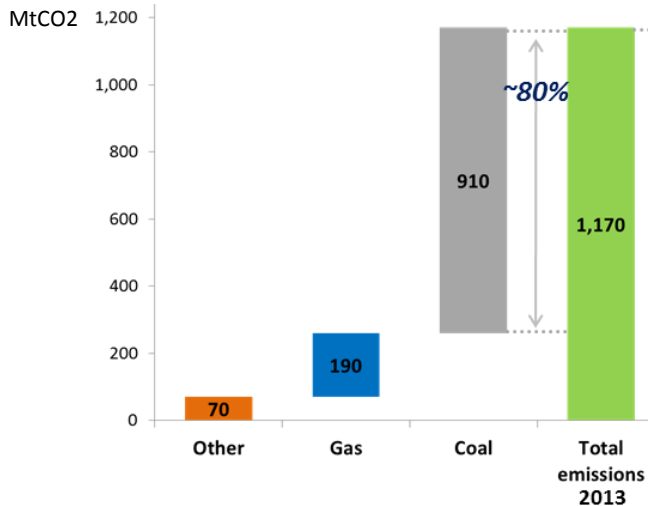
# Gas to become the strategic partner of renewables to ensure security of supply and emissions reduction

- Gas is the cleanest back up source to cope with the renewable intermittence and seasonality, acting as a baseload, buffer / storage
- Gas contribute towards the effort to reduce emissions in the power sector



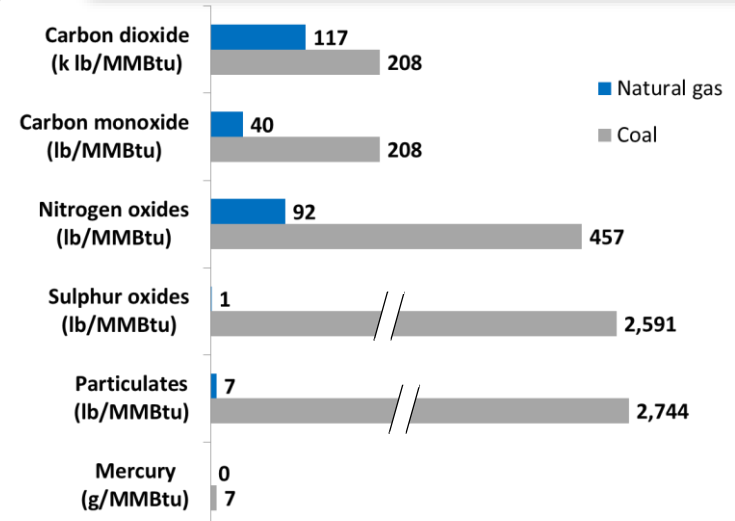
# Coal accounts for nearly 80% of the CO<sub>2</sub> emissions of the power sector in EU

## 2013 power sector emissions EU



Source: estimate on the base of Eurostat and IEA data

## Natural gas is not only less CO<sub>2</sub>



Source: EIA - DOE

**Reduction of coal is a key priority for Europe in order to reach 2030 GHG target (-40%) and reduce pollution**

# To ensure CO<sub>2</sub> reduction additional tools are necessary

- Current policies will not reduce CO<sub>2</sub> as much as required to achieve 2030 targets
- An Emissions Performance Standard (EPS) emerges as an effective complementary tool of the reformed EU ETS
- An EPS establishes a maximum level of emissions per unit of output, forcing the shut down or limiting the production of the most polluting plants
- EPS has already been successfully implemented in the UK and has been rolled out in US and China