Energy cooperation and stability in the Mediterranean region

The difficulties of implementing the fledgling “Union for the Mediterranean” have just been underlined by the resignation of the institution’s Secretary General, the Jordanian Ahmad Madda’eh. These difficulties are known to be due partly to the tensions created in the Middle East by the Israeli-Palestinian conflict. They also originate in blocking moves among European states that do not all see the institution in the same light, while the obstacles standing the way of rapprochement in the Maghreb are not without their own impact.

The gradual political destabilisation of the southern Mediterranean states is further modifying the situation. If we look back to the end of the European “Eastern bloc” in 1989 which led to the re-creation of a series of stable, democratic states, the current situation on the southern shore of the Mediterranean may well be sorted out in the not-too-distant future.

Be that as it may, there will be no decline in the current profusion of large-scale energy projects in the region for the time being.

A number of projects are competing with one another and with projects – which are themselves redundant – to carry natural gas to the northern shore of the Mediterranean from the Caspian Sea. Eventually an overall view will be needed. The Union for the Mediterranean – one of whose identified objectives is energy – should provide an appropriate setting for the consultation required.

Energy cooperation around the Mediterranean is set to intensify, upheld by the development aspirations of numerous peoples that will render stability in the region a necessity.

From this point of view, the European Union will play a vital role and the impetus provided by the European Commission will consequently prove decisive. The specific function of energy in all its various aspects, from production to transport, inevitably entails the specific responsibility of the “impulse provider”. The appointment of Commissioner Günther Oettinger to head international relations in the field of energy augurs very well.

The project planned as described in the editorial of March 2009 – two years ago now – seems increasingly advisable. Intended to provide information for large numbers of national and local members of parliament faced with industrialists and highly qualified officials, it was to give the elected representatives of the various countries around the Mediterranean the opportunity to find out more about and assess in greater detail the energy situation in the region, as well as the possibilities offered by energy for appropriate social economic and social development.

Jean-Claude Charrault
Director General
News from the EEF

Upcoming events

2011/03/08 Dinner-debate Strasbourg — Achieving the energy efficiency targets: The key role of innovative energy supply companies, at the invitation of EWE

2011/03/14 Dinner-debate Brussels — The electrical infrastructures of the future, at the invitation of RTE

2011/04/05 Dinner-debate Strasbourg — Bringing Caspian Gas to Europe – the Southern Corridor projects, at the invitation of Statoil, EON Ruhrgas, RWE and Edison

2011/04/12 Dinner-debate Brussels — Offshore wind energy: realising the potential, at the invitation of AREVA

2011/05/25 Dinner-debate Brussels — Nuclear and Renewable, at the invitation of ENEL

Internal meetings

2011/03/09 Board Meeting: President, Treasurer, Vice-Presidents, Directors and EEF Secretariat attend.

2011/03/23 ITAC Meeting: President, Treasurer, Vice-Presidents, Directors, Associate Members and EEF Secretariat attend.

2011/04/06 General Assembly: Active Members and EEF Secretariat attend.

(Invitations will be sent in due time to those invited.)

Past events

2011/02/15 Dinner-debate Strasbourg — A truly Europeanized energy Policy until 2020: The consumer perspective, at the invitation of CEFIC and Fertilizers Europe.

Energy has a substantial impact on the global competitiveness of the European Chemical and Fertilizers industry. These industries will face high ETS compliance costs compared to other manufacturing sectors – both inside and outside the European Union. These costs will be
even greater as a result of indirect emissions through electricity consumption. Additionally, the European Commission estimates the costs for infrastructure investments to the EU’s economy at €1 trillion, mainly due to the rising amount of energy produced from renewable sources. Hubert Mandery (Cefic Director-General) and Renso Zwiers (President Fertilizers Europe) discussed with the audience about how can we achieve the 20-20-20 targets without putting Europe’s competitiveness at risk. In particular, the highest energy intensive sectors such as fertilizers face the real threat of carbon leakage. A true evaluation of the impact of all different political instruments is essential. Only an open and constructive dialogue will ensure that together we achieve the European energy goals that deliver a true benefit for the energy consumer namely security of supply, competitiveness and sustainability.

EEF Members

New Associate Member

The **Friends of the Supergrid (FOSG)** is a group of companies and organisations which have a mutual interest in promoting and influencing the policy and regulatory framework required to enable large-scale interconnection in Europe. With a special insight into the technology needed to create Supergrid the Friends will be empowered to build the know-how to deliver it in practice.

FOSG combines companies in sectors that will deliver the HVDC infrastructure and related technology, together with companies that will develop, install, own and operate that infrastructure.

The Friends will design the physical equipment, and work alongside the companies that will build the structures at sea, so that both are empowered to compete and win. The risks of providing this new transmission service will be reduced by the early knowledge gained during the policy formation and design stages.

Contact person: **Ana Aguado Cornago**  
Phone: +32 2 546 74 63  
Email: ana.aguado@fosg.eu

Active Member

The office of Paul Rübig (EPP Austria) Vice-President of the EEF:

D’Artagnan had three musketeers, Charlie three angels – Paul Rübig his three assistants: Caroline, Karl and Ina. Even though many tasks are carried out together, there is, of course, a separation of competencies.

**Caroline Gann** (right), who studied economics at the University of Linz, deals with issues related to the AFCO-committee and the SINEEA-delegation.

Issues concerning the ITRE-committee and the Delegation for relations with the Arab Peninsula are dealt with by **Karl Fuchs** (2nd from left), a law-graduate from the University of Vienna.

**Ina Paripovic** (1st left), who studied international business administration in Vienna, is responsible for the BUDG- and STOA-committee.
Companies Concentration - notification, decision, opposition, non-opposition,...-

2011/02/03 Prior notification of a concentration — Rosneft Oil Company/BP/Ruhr Oel — Candidate case for simplified procedure:
The Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 by which Rosneft Oil Company (‘Rosneft’, Russia), which belongs to the Russian State, and BP p.l.c. (‘BP’, England and Wales) acquire within the meaning of Article 3(1)(b) of the Merger Regulation joint control over industrial solvents and utilities services businesses of Ruhr Oel GmbH (‘ROG's solvents and utilities services businesses’, Germany) which is currently jointly controlled by BP and Petroleos de Venezuela Europa BV (‘PDVE’, the Netherlands) belonging to Petroleos de Venezuela SA (‘PDVA’, Venezuela).

The business activities of the undertakings concerned are:
— for Rosneft: exploration and production of oil and gas, production of petroleum products and petrochemicals, and the marketing of outputs in Russia and abroad,
— for BP: exploration, development and production of oil and gas; refining, manufacturing and marketing of oil products and petrochemicals and the development of renewable energies,
— for ROG's solvents and utilities services businesses: production and distribution of industrial solvents and provision of utilities and industrial services.

EU Energy Management, Security of Supply, Sustainable Development

2011/02/24 Europeans strongly in favour of EU energy solidarity:
According to the last European Parliament's Eurobarometer on energy, almost 80% of European citizens are in favour of solidarity between Member States in the event of supply difficulties. The survey also shows that 60% of Europeans consider they would be better protected through a EU coordinated approach of energy policies above national measures, which constitutes a further plea for the "europeanisation" of energy policy. In addition, among priorities in energy comprising the stability of energy prices, renewable energy and security of supply, energy efficiency only comes fourth with only 16% of Europeans considering it a priority field. A striking result calling for immediate action as regards information on new measures to promote more energy savings.

The EU is committed to meet this challenge and energy efficiency has become one of its main priorities. The Commission will present in March a new Energy Efficiency Action Plan with several actions to give all citizens the opportunity to consume less and better.

EU Gas Sector

2011/02/15 Public Consultation on the modification of Congestion Management Procedures in the gas sector:
Access to cross-border gas network infrastructure is a prerequisite to the completion of the internal market for gas. However, interconnection points between Member States are often contractually congested as current congestion management procedures have not proven effective.

In order to facilitate newcomers' access to transmission capacities as well as to make the use of existing capacity more efficient, the Commission considers modifying the rules applying to congestion management procedures in the framework of the guidelines annexed to the Gas Regulation (EC) No. 715/2009 (Chapter 2.2 of Annex I of the Regulation).

EU Renewable Sector

2011/02/01 → 2011/03/29 Public consultation — Renewable energy:
This consultation concerns sustainability criteria for energy uses of biomass other than biofuels and bioliquids. Following its Report on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling in February 2010, the Commission is currently analysing the need for additional measures at EU level. This questionnaire seeks views on whether the EU...
should take further action to ensure that biomass used for energy purposes is sustainable, in particular in light of the developments in the bio-energy sector (supply, production, policy and regulatory framework) and considering the impacts of the developments of national / regional solid / gaseous biomass sustainability schemes.

In the process of preparing the new report, the Commission is seeking the views of stakeholders and other interested parties on the need for additional measures at European level, so as to ensure solid and gaseous biomass sustainability when used for energy purposes.

See also: [Gas Regulation (EC) No. 715/2009](#) and [Corrigendum to the Regulation](#)

Günther Oettinger, Commissioner responsible for Energy, said: "Biomass is one of the most important resources for reaching our renewable energy targets. It already contributes more than half of renewable energy consumption in the EU, providing a clean, secure and competitive energy resource. With this report, the Commission provides recommendations to Member States concerning sustainability criteria for solid biomass and biogas. A review is foreseen in 18 months in order to assess whether the scheme needs to be modified, including through the introduction of some mandatory standards."

EU Environment

2011/02/01 [Communication from the Commission to the European Parliament and the Council](#)

Renewable Energy: Progressing towards the 2020 target:
The European Commission presented its Communication on the progress of renewable energy in the EU. It shows that the 2020 renewable energy policy goals are likely to be met and exceeded if Member States fully implement their national renewable energy action plans and if financing instruments are improved. It also stresses the need for further cooperation between Member States and a better integration of renewable energy into the single European market. Estimates indicate that such measures could lead to 10 billions Euros savings each year.


Green Paper on a Common Strategic Framework for future EU Research and Innovation Funding

2011/02/09 [Commission Consultation: Green Paper on a Common Strategic Framework for future EU Research and Innovation Funding](#):
The European Commission presented a Green Paper ("From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding") which proposes major changes to EU research and innovation funding to make participation easier, increase scientific and economic impact and provide better value for money. The changes, to be introduced in the next EU budget after 2013, would bring together the current Framework Programme for research, the Competitiveness and Innovation Programme, and the European Institute of Innovation and Technology.

The Commission is seeking the views of all interested individuals and organisations on these proposed changes and on the specific questions set out in the Green Paper. The deadline for contributions is Friday 20 May 2011. In parallel, a competition for the name of the Common Strategic Framework is being organised.

EU Institutions Activities

2011/02/04 [Key issues for the European Council: Europeanising Energy Policy - Time to act:](#)
The conclusions of the European Council’s meeting, call for great efforts to modernise and expand the EU’s energy infrastructure, and to connect member state networks. Heads of state and government believe that the EU should have a single gas and electricity market by 2014.
The summit called on member states, to fully-implement the laws on the establishment of the integrated internal energy market in a timely manner. The adopted document calls on the Council and the European Parliament to adopt the Commission’s proposal, for the regulation of energy market integrity and transparency as soon as possible. Member states have to work faster, if they are to adopt the technical standards of electric car charging systems, by mid-2011 and smarter networks and meters by 2012. The European Council declared that no member state be cut-off from the European gas and electricity networks, or be exposed to endangered energy supplies, after 2015.

According to the summit’s conclusions, the investment cost of infrastructure, should be covered by markets fees.

See also: The Hungarian Presidency’s plans, European summit on energy and innovation. A safe, sustainable and affordable energy supply is key to our strategic interests and growth and jobs (President Baroso speech), Commission Press Release, Statement by Günther Oettinger on the outcome of the EU Summit. A strategy for competitive, sustainable and secure energy and Priorities for 2020 and beyond— A Blueprint for an integrated European energy network

EU International Relations

011/02/18 Public consultation: The external dimension of the EU energy policy: The aims of the EU energy policy, as set in Article 194 of the Treaty on the Functioning of the EU, are to ensure the functioning of the energy market, to ensure security of energy supply in the Union, to promote energy efficiency and energy saving and the development of new and renewable forms of energy, and to promote the interconnection of energy networks. These aims have to be pursued in a spirit of solidarity among Member States. None of them can successfully be met without taking into account major evolutions on the energy scene beyond the EU borders.

The external dimension therefore needs to be a full part in the recent and forthcoming initiatives in the energy field. This will require a coordinated, efficient and prioritised external energy policy. For this reason the Communication "Energy 2020 - A strategy for competitive, sustainable and secure energy" recognised the need to strengthen the external dimension of the EU energy policy as one of the key priorities in the coming years.

The objective of the consultation is to seek interested parties' views on possible priorities and possible new initiatives in the field of external energy policy.

See also: Communication "Energy 2020 - A strategy for competitive, sustainable and secure energy" and Communication "Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network"

2011/02/07 Imports of energy from third countries: new country file on Australia: The European Union depends on imports of energy from other countries. One of the key priorities is therefore to run a strategic international energy policy which leads to stable and secure supply routes. In this section aggregated data are presented on the countries that are important EU energy partners or have the potential to become so in the future.

EU-RUSSIA Energy Partnership

2011/02/24 Signature of an upgraded EU-Russia Early Warning Mechanism in the field of energy: Signature of an upgraded EU-Russia Early Warning Mechanism in the field of energy, and a Joint Statement to create a Joint Gas Advisory Group; a Joint Statement on Information Exchange within the EU-Russia Dialogue; a Common Understanding on the EU-Russia roadmap until 2050.

See also: Press Release
News from The EEF follows major international energy institutions

International Energy Agency

2011/02/25 Fact Sheet: IEA Stocks and Drawdown Capacity:
A breakdown of IEA oil stocks on a country-by-country basis and a look at how quickly the IEA’s public stocks could be made available to the market.

2011/02/23 Leading industry executives meet for IEA Energy Business Council meeting:
The purpose of this meeting, which took place at the IEA’s headquarters, was to share expertise on key energy topics, as well as to provide business views and inputs into IEA work, particularly the forthcoming World Energy Outlook 2011, which is the Agency’s flagship publication.

“Energy policies and markets move at such a rapid pace it is important for governments and businesses to keep in-check with each other,” said Nobuo Tanaka, Executive Director of the IEA. “This gathering offers a truly unique opportunity for many of the world’s top experts to come together and share opinions and ideas on the latest key developments.”

Oil market implications of ongoing events in North Africa were also discussed at the meeting, as well as a forthcoming special report from the World Energy Outlook 2011, ‘A Golden Age for Natural Gas?’, which examines the impact of recent developments in natural gas markets and technologies on the energy landscape and climate policies.


See presentations from:
• Mr. Tanaka, IEA Executive Director
• Amb. Jones, IEA Deputy Executive Director
• Dr. Birol, IEA Director, Office of the Chief Economist
• Mr. Fyfe, IEA Head of Oil Industry and Markets Divisions
• Mr. Cronshaw, IEA Head of Energy Diversification Division
• Dr. Bradley, IEA Head of Energy Efficiency and Environment Division
• Ms. Becerril, Chairman Acciona Energia

2011/02/23 New charter strengthens co-operation between energy producing and consuming countries:
An historic charter which creates an ‘enhanced framework’ for dialogue between energy producing and consuming countries has been signed by 87 ministers and high-level delegates from the International Energy Forum’s (IEF) member countries.

The Charter was signed at an IEF extraordinary ministerial meeting on 22 February. Countries committing to the Charter at this meeting already account for more than 90% of global oil and gas supply and demand. The Charter will strengthen the management of the Forum secretariat and establish its finances on a stronger and more predictable basis – particularly with such wide endorsement of the Charter at the very outset.

See also: International Energy Forum, Joint Organisations Data Initiative, Introductory Remarks to the Extraordinary IEF Ministerial Meeting, Introductory Remarks to the Extraordinary IEF Ministerial Meeting

2011/02/22 IEA Closely Watching the Evolving Situation in Libya:
The IEA stands ready, as always, to make oil available to the market in the event of a major supply disruption if alternative supplies cannot readily be made available via normal market mechanisms.
At present, we are not in a situation where that is necessary. However, we are monitoring the situation closely and on an ongoing basis.

Libya is a net exporter of oil, having sent abroad some 1.49 mb/d in January 2011. Europe receives more than 85 percent of Libya’s crude exports, while about 13 percent heads east of Suez. Libya also produces some 15 bcm/y of gas, a third of which is domestically consumed.

2011/02/17 Overseas activities of China’s oil companies are demystified in new report:
Until now, there has been little analysis to test the widely held presumption that these companies act under the instructions and in close co-ordination with the Chinese government. Nor have critics been challenged on the validity of their concerns about investments made by these NOCs, and how they could be blocking supplies of oil for other importing countries.

The IEA report, however, finds that contrary to these views, the NOCs actually operate with a high degree of independence from the Chinese government, and their investments have in fact largely boosted global supplies of oil and gas, which other importers rely on.

2011/02/04 World Wildlife Fund’s New Energy Report Emphasises Role of Renewables:
The IEA welcomes the World Wildlife Fund’s (WWF) report as a valuable contribution to the energy debate. While the IEA believes a broader mix of energy technologies – including nuclear energy and carbon capture and storage -- will be required to meet future challenges, we share the view that renewable energy must play a key role in a clean energy future. The WWF Energy Report has the merit of underlining the major technological choices and policy framework features which will be needed to meet any ambitious renewable energy targets in the future, along with the key challenges and barriers that will need to be addressed.

World Energy Council

2011/02/11 WEC Achieves Cost Savings and Environmental Improvements in Private Sector Environmental Project in Guatemala & El Salvador:
The World Environment Center (WEC) has successfully completed a State Department (DoS)-funded project “Cleaner Production Private Sector Partnerships.” Thirty five Small and Medium Enterprises (SMEs) from Guatemala and El Salvador participated in the project to improve their environmental performance and have achieved a combined total savings of over $621,400, with investments of $293,500.

Through WEC’s training and the partnership with local stakeholders such as Wal-Mart Centroamerica, the Guatemala Association of Small Hotels, and the El Salvador Association of Dairy Processors, the project provided technical assistance to the participating companies to improve their performance and upgrade their facilities. These approaches allowed firms to further their profitability and competitiveness while simultaneously strengthening environmental performance and fostering a better work environment.

See also: WEC Factsheets and WEC Press Release