



# THE MEDITERRANEAN GATEWAY TO ENERGY UNION

What strategy on power and gas?

## Panel MEDITERRANEAN GAS CORRIDOR

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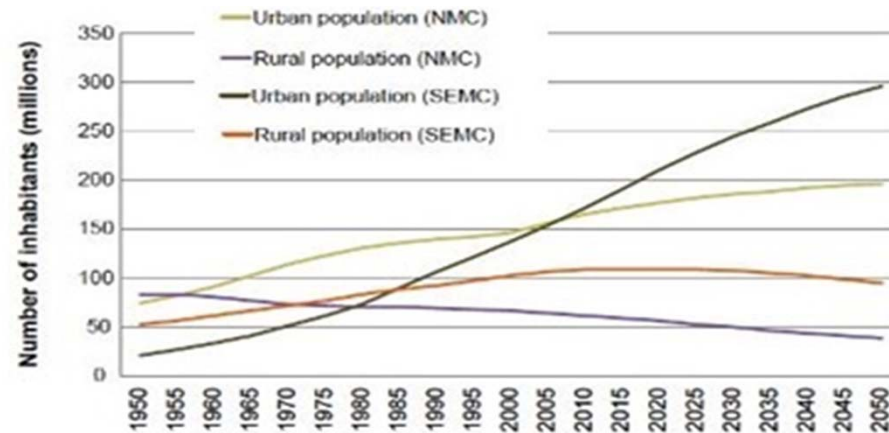
Brussels, 22 November 2017



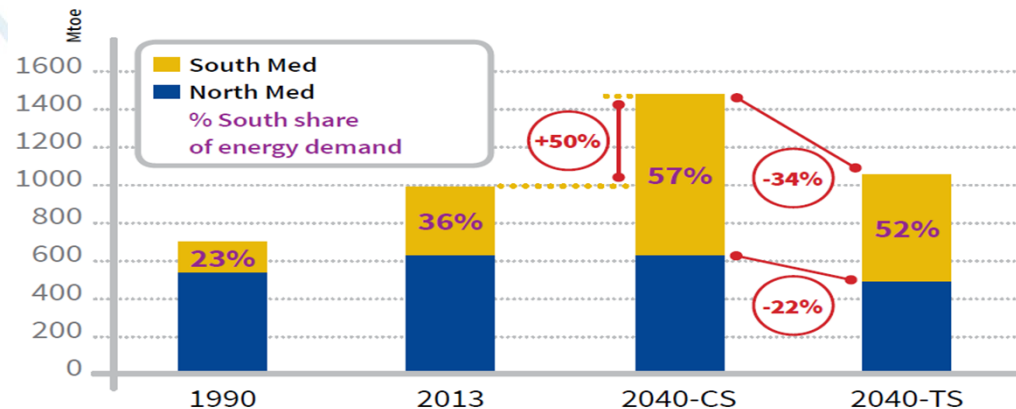
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# Mediterranean Energy Scenario

- Population in the South will grow ~ **85 Mln** by 2040 (+45% vs 2015)
- A **stagnating energy demand** in the **North Med**, an **energy-intensive development** in the **South&East**
- Needs for **more than 400 bn USD** investments



Source: United Nations, Department of Economic and Social Affairs, Population Division, 2011.



Source: MEDENER/OME, 2015

# Coordinated planning gas grid in EU

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**2009: 3rd package** promoted regional cooperation and planning  
(EU Directive 2009/73/EC and Reg. 715/2009)

TEN-YEAR NETWORK DEVELOPMENT PLAN for gas (**TYNDP**)

**2013: Reg. 347/2013 - Projects of common interest (PCI)**

- First list of PCIs published in 2013
- Second list in 2015

**Third list: SOON!**

(ACER opinion 13/2017 contains last NRA's comments)

# Gas regional investment plans (GRIPS)

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EU Gas Regulation (EC) 715/2009 requires European TSOs to publish Gas Regional Investment Plans (GRIPs) on a biennial basis.

## ENTSO-G Regional Groups

**North-West** (9 countries) Belgium, Denmark, France, Germany, Ireland, Luxembourg, the Netherlands, Sweden and the United Kingdom

**South** (3 countries) Spain, Portugal and France

**Central Eastern Europe** (10 countries) Austria, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Poland, Romania, Slovakia, and Slovenia

**Baltic Energy Market Interconnection Plan** (7 countries) Finland, Estonia, Latvia, Lithuania, Poland, Denmark and Sweden

**Southern Corridor** (9 Countries) Austria, Bulgaria, Croatia, Hungary, Greece, Italy, Romania, Slovakia, and Slovenia

**South-North Corridor** (6 countries): Italy, Belgium, France, Germany, Luxembourg and Switzerland.

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# Mediterranean Priority Corridors for Project of Common interests (list 2015)

## **NSI West Gas** (North-South Gas Interconnections in Western Europe)

including connection of **Malta** to the European Gas network and Gas Pipeline connecting Algeria to Italy (via Sardinia, **GALSI**)

## **NSI East Gas** (North-South Gas Interconnections in Central Eastern and South Eastern Europe)

including projects allowing gas to flow from **Croatian** LNG terminal to neighbouring countries and project allowing gas from the Southern Gas Corridor to flow through Italy towards the North-Eastern Europe (**Adriatica pipeline**)

## **SGC** (Southern Gas Corridor)

including cluster PCI for the transportation of **new sources of gas from the Caspian Region**, crossing Azerbaijan, Georgia and Turkey and reaching EU markets in Greece and Italy and Pipeline from offshore Cyprus to Greece mainland via Crete ("**EastMed Pipeline**")

*Source: EC, Commission Delegated Regulation n. 2016-89*



# Mediterranean gas PCI overview

(2015 list)

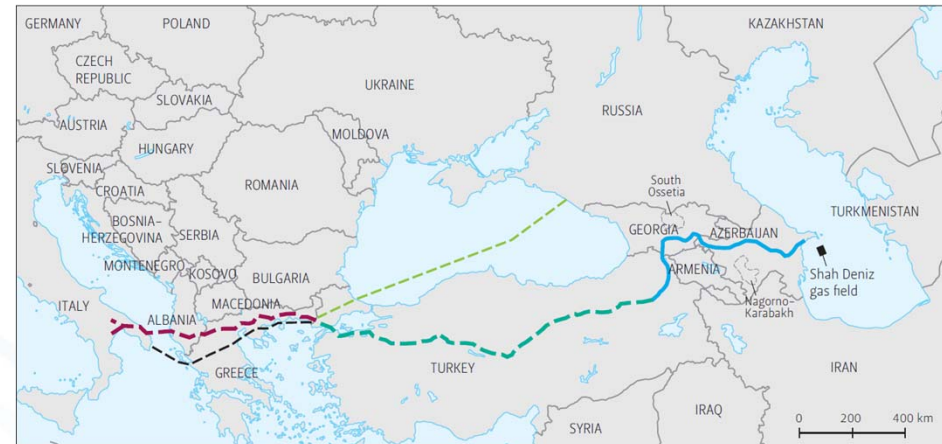


Source: European Commission, interactive map, 2017

# New Mediterranean gateways

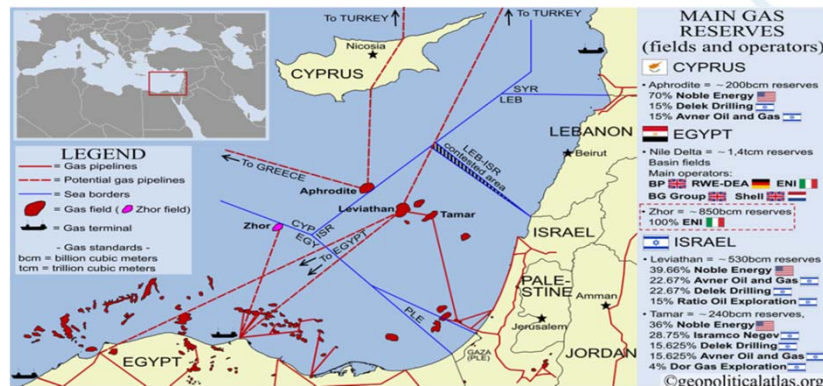


<http://www.edison.it/it/gasdotto-eastmed>



— South Caucasus pipeline  
 — Trans Anatolian pipeline  
 - - Turkish Stream pipeline  
 - - ITGI/Poseidon pipeline  
 - - Trans Adriatic pipeline

<http://www.css.ethz.ch/en/services/digital-library/articles/article.html/9fd46950-a8b5-45fb-bde7-dbd0d48461f4>



<http://tekmormonitor.blogspot.it/2017/01/mediterranean-sea-from-gas-new.html>



Source: U.S. Energy Information Administration



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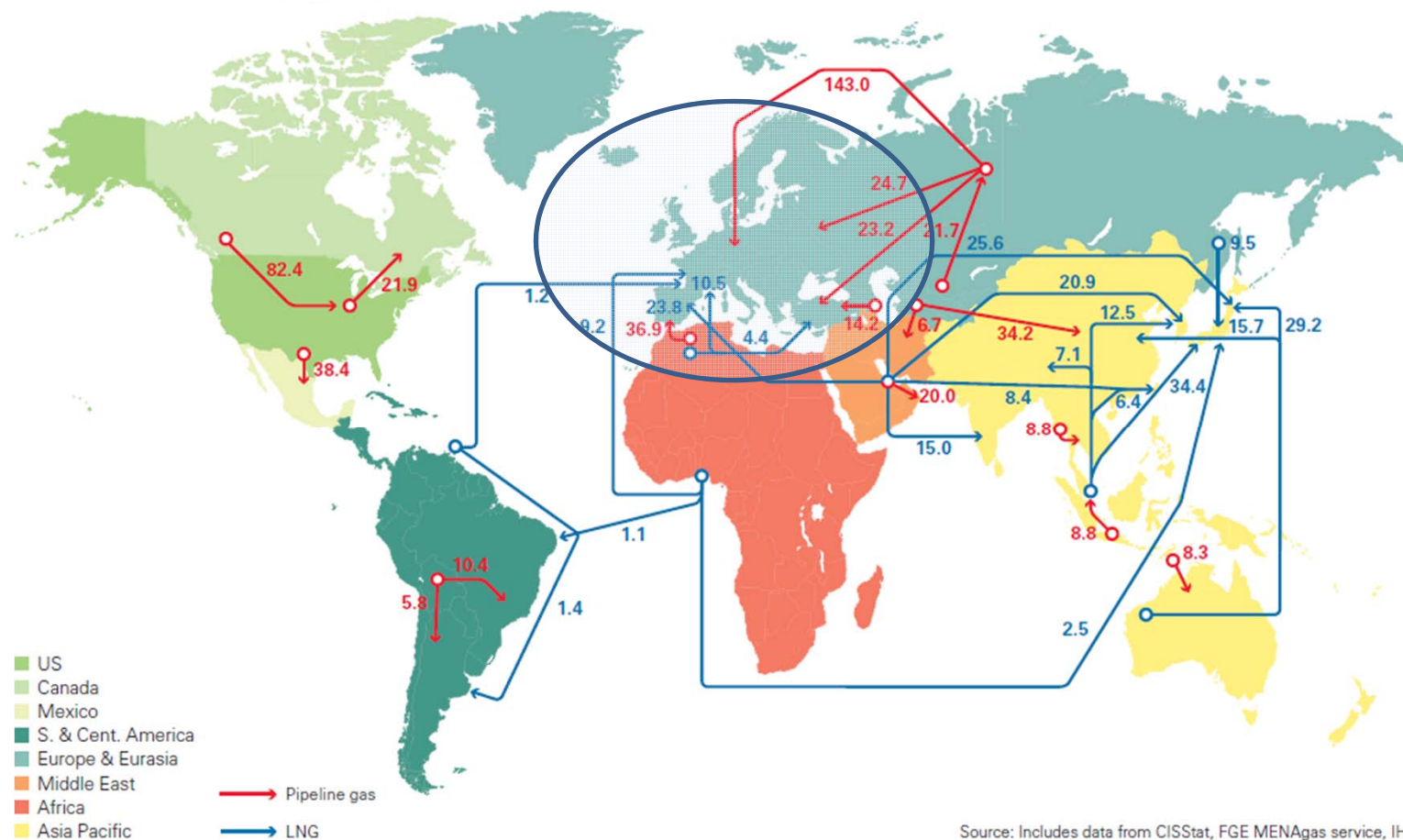
Prof. Valeria Termini – Brussels, 22 November 2017



# World gas routes in 2016

## A changing scenario: pipelines (red) e ships (blue)

(annual billion cubic meters)



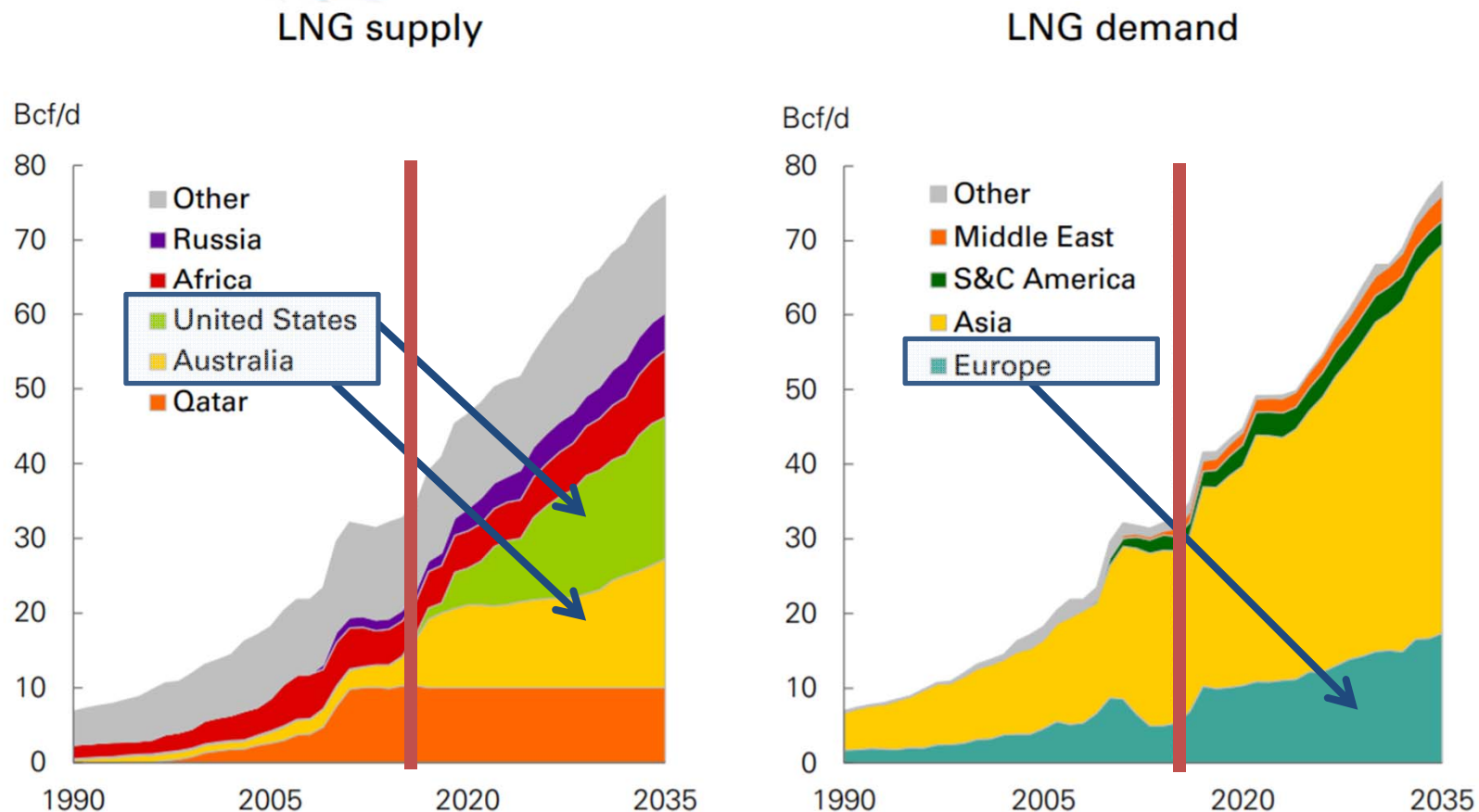
Source : BP Statistics 2017

Source: Includes data from CISStat, FGE MENAgas service, IHS.

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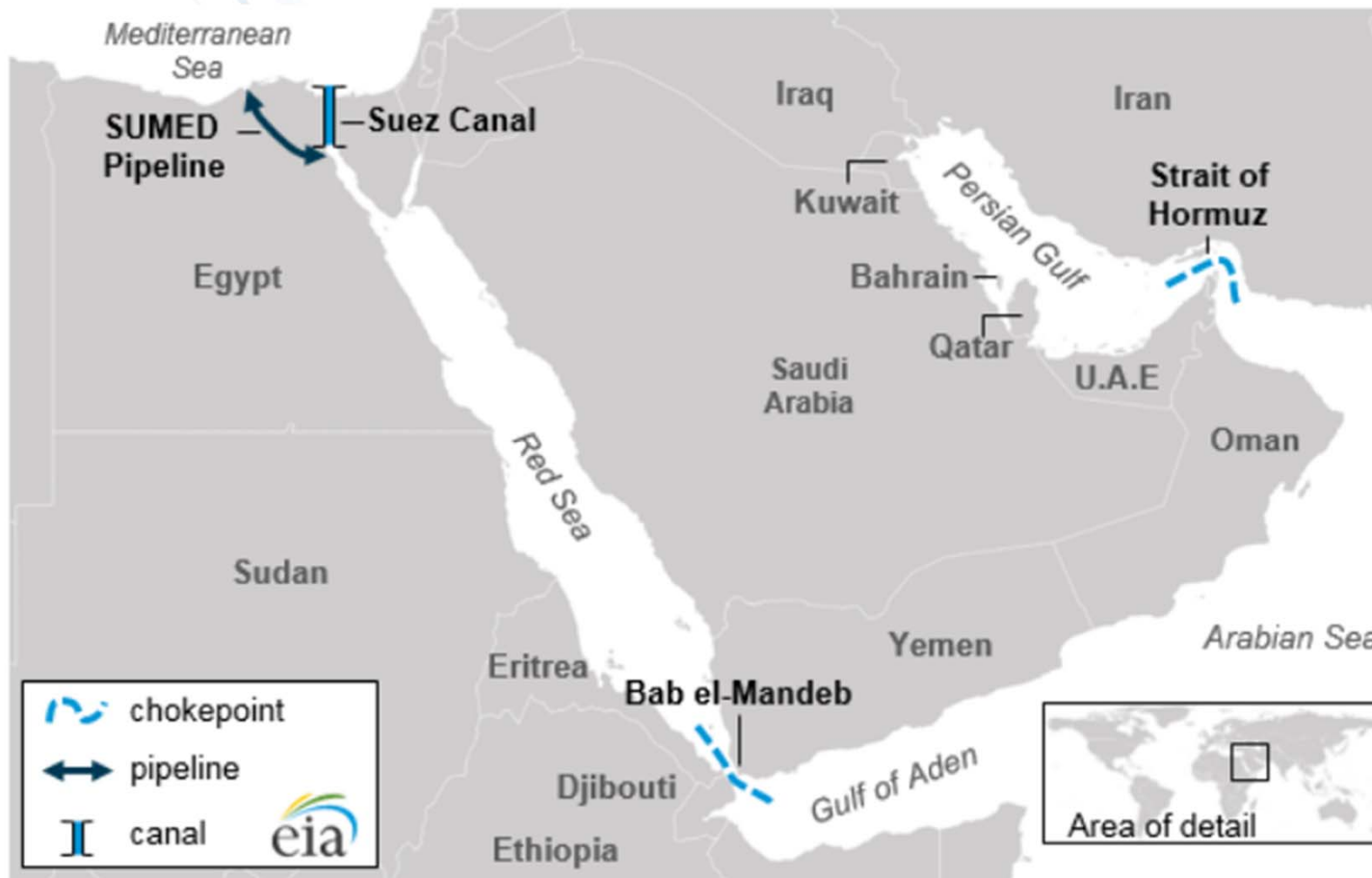
## ...but routes already changed due to LNG...



Source : BP Energy Outlook 2017

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# Arabian Peninsula maritime chokepoints



Source: U.S. Energy Information Administration

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# ICOM report highlights the need of harmonizing Regulation

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*“A transnational cooperative approach is the basis of this policy perspective and only a **full integration of regulations**, resources and markets will ensure fulfilling such challenging goals”*

*“The development potential of physical interconnections between different countries and regions **cannot be fully exploited** unless a harmonization of grid technical rules is implemented and common market regulation is achieved”.*

One of the main barrier *“is the absence of a **single regulatory framework at national and regional levels**”*

# MEDREG

## Association of Mediterranean Energy Regulators

### Mission

to implement the conditions for the establishment of a future **Mediterranean energy community**

### Objectives

- **stable and harmonized regulatory framework**
- **markets and systems integration**
- **infrastructure investments**
- **consumer protection**
- **enhanced energy cooperation**



### Tools

- **Capacity building**
- **Institutional building**
- **Intense dialogue with external partners (EU, LAS, PAM. UfM..)**

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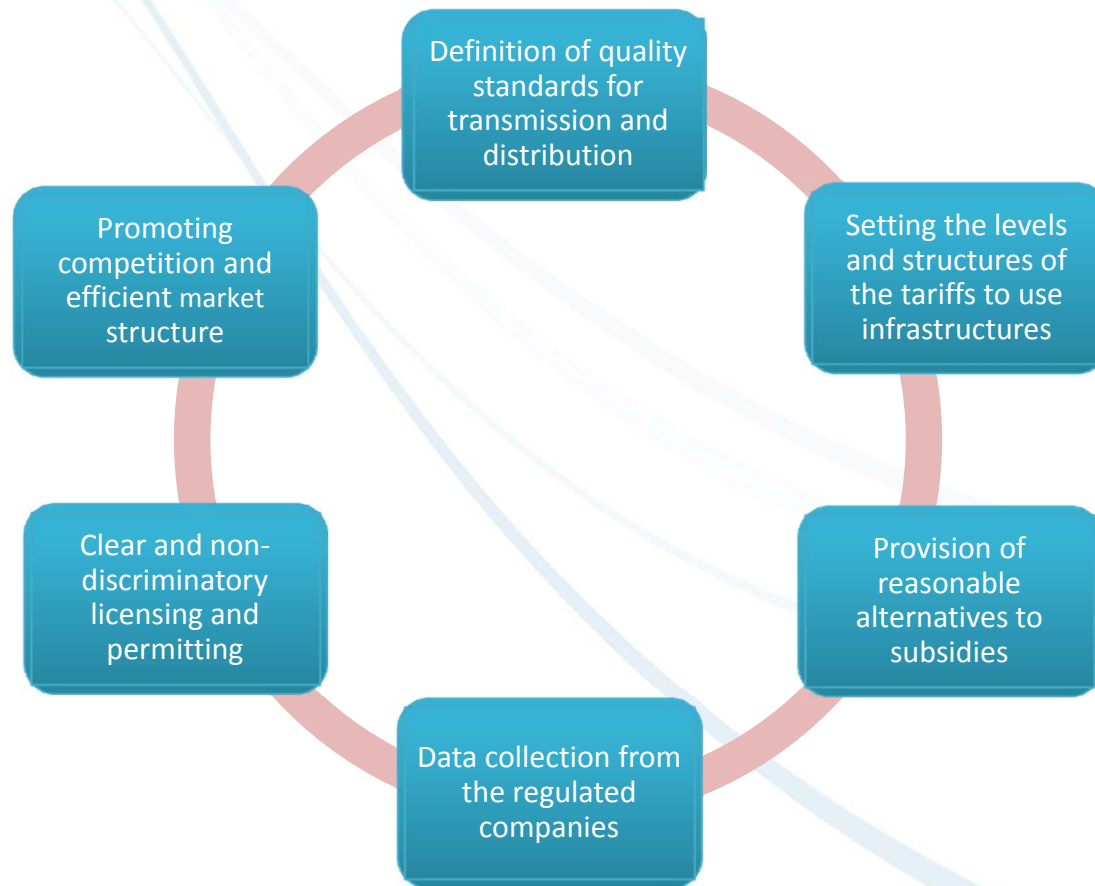
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# MEDREG

## *How regulation can incentivize investments*



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# MEDREG support to the GAS market integration

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MEDREG together with policymakers, industry representatives, regulators, energy stakeholder, traders and shippers, representatives from financing institutions all from across the Euro-Mediterranean region works on the implementation of

**the Euro-Mediterranean Gas Platform**



launched in 2014 in the framework of of the Union for the Mediterranean (UfM), which aims at:

- **regional structured dialogue** allowing the gradual development of a Euro-Mediterranean gas market
- **promoting security, transparency and predictability** of both demand and supply in a correctly and fairly manner that could balance the interest of producing and consuming countries
- **providing the basis of the long term secure development** of the abundant reserves in the region.

# UfM Energy Platforms

In November 2014, during the Italian Presidency of the Council of the EU, a Conference in Rome launched:

*“three thematic platforms to provide a permanent high level forum for discussing energy policy objectives and measures, with a view to identify specific and concrete actions” aiming at promoting:*

- **Gas:** a Euro-Mediterranean gas market to deliver secure, affordable and sustainable natural gas supplies
- **Electricity:** a gradual integration of markets in the UfM region by gradually removing financial, technical, physical and regulatory barriers
- **Renewable Energy and Energy Efficiency:** the deployment of renewable sources and energy efficiency technologies and projects.



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# Conclusion – Does regulation have a role in the Mediterranean gateway to Energy Union ?

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- Multilateral approach to enhance cooperation between EU and the MENA Region, with **mutual benefit**
  - ➔ top down & bottom up approach
- EU holds high-level technical competences and Italy historical fair diplomacy ➔ **export of know how is central**
- An active participation in projects to strengthen the link with the Mediterranean region as gateway to the Energy Union is crucial
  - ➔ **MEDREG and MEDTSO projects**





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# Thank you for your attention!

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