



**Gas Market Developments  
5th Vienna Forum on European Energy Law**

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# Uniper's business portfolio

## Power Generation

Uniper owns and operates a sizeable portfolio of power plants located across Europe and Russia, encompassing the full range of generation technologies (predominantly hydro, gas as well as coal and oil).

## Energy storage

Our gas storage facilities in Europe help ensure the reliability of the gas supply. We also operate power-to-gas facilities.

## Engineering Services

Our engineering and technical expertise enable us to provide a broad range of engineering services, from pre-investment surveys right up to decommissioning.

## Global commodities

Uniper's commodity trading business is active in power, emission certificates, natural gas, LNG, coal, and freight.

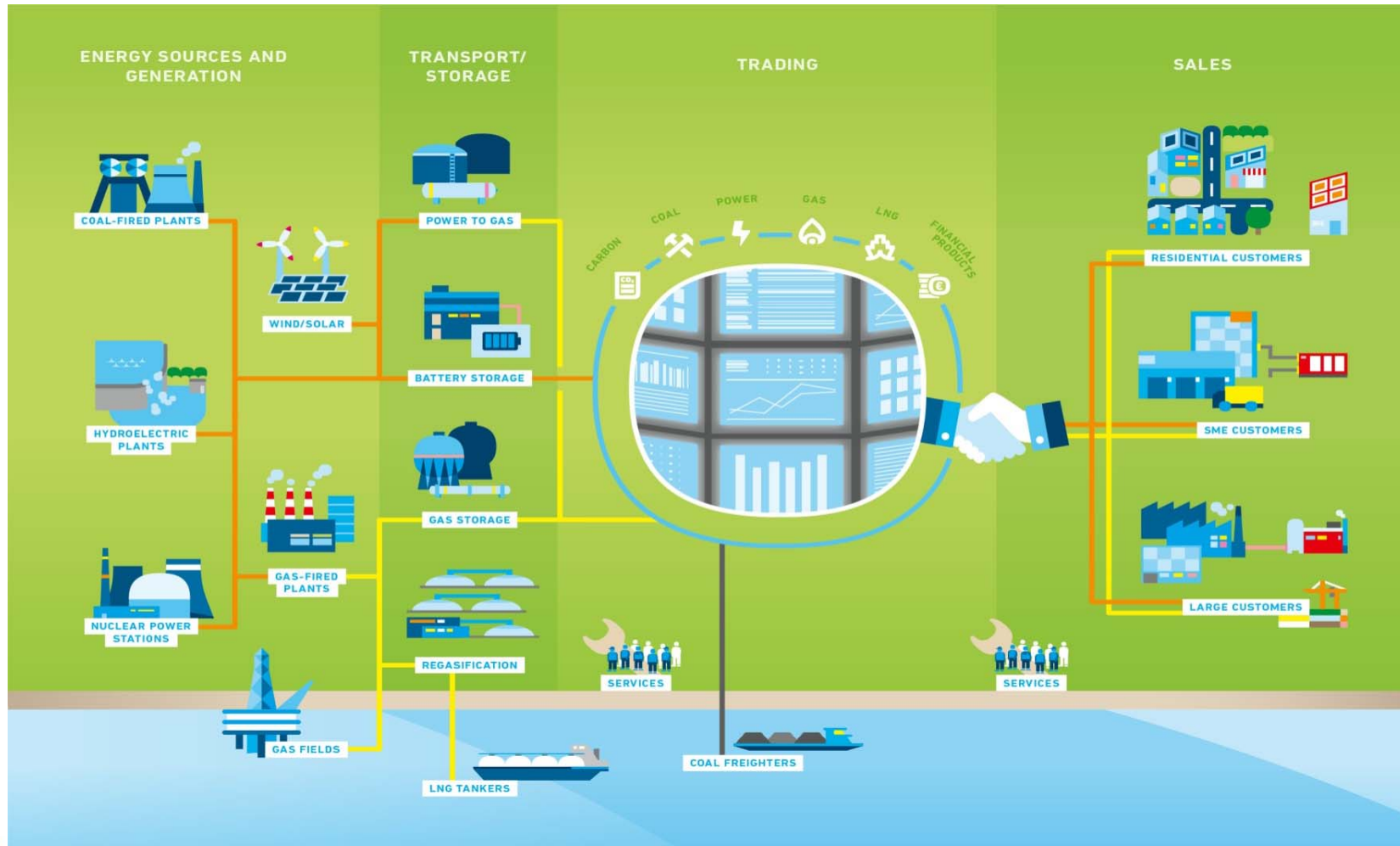
## Energy sales

Through our sales organizations in Germany, France, and the Netherlands, we market a wide range of electricity and gas products to industrial customers, municipal utilities, and energy partners.

## Third Party Services

We provide flexible, bespoke services for the construction and operation of power stations, for fuel (coal, natural gas, LNG, biomass) procurement, for energy and commodity trading, and for energy marketing.

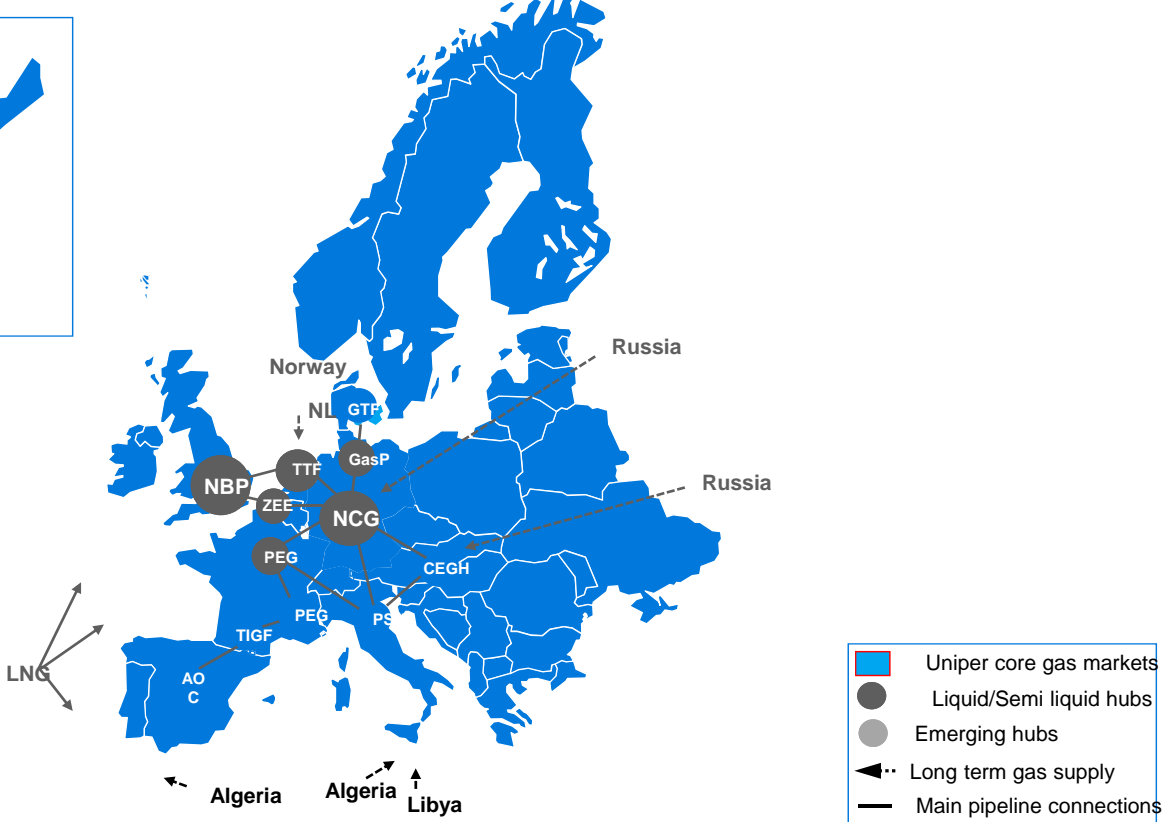
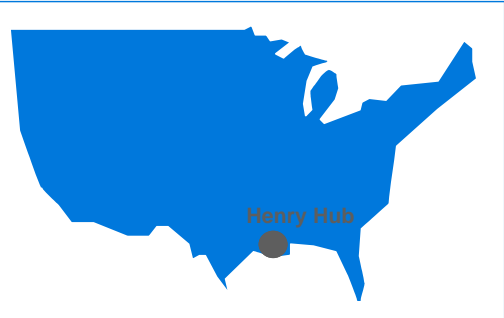
# Uniper helps keep energy reliable



# Uniper as international diversified natural gas undertaking

## Where Uniper is active

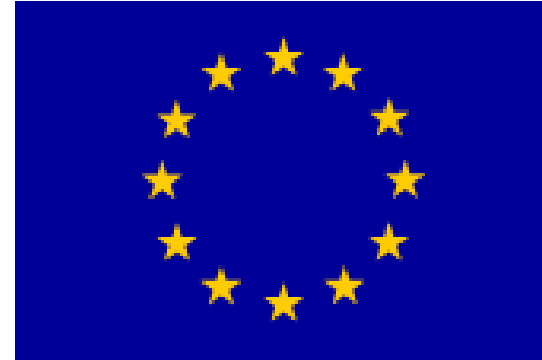
Uniper trades Gas via OTC and at the major energy exchanges, including EEX (DE), APX (UK and NL), Endex (BE and NL), Powernext (FR), ICE (UK), and NYMEX (US).



# Uniper Energy Storage

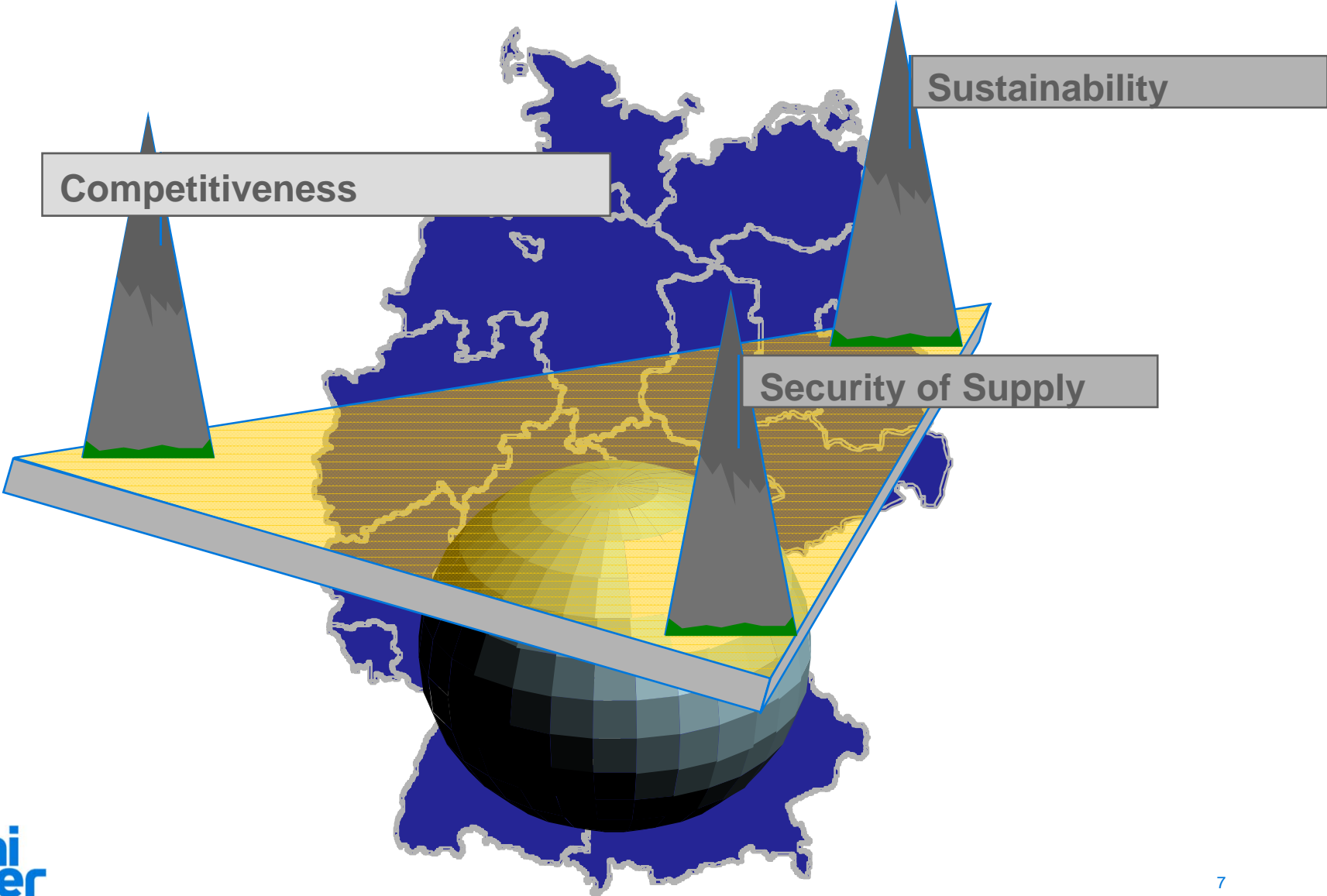


# Growing importance of European Energy Policy since the 90's

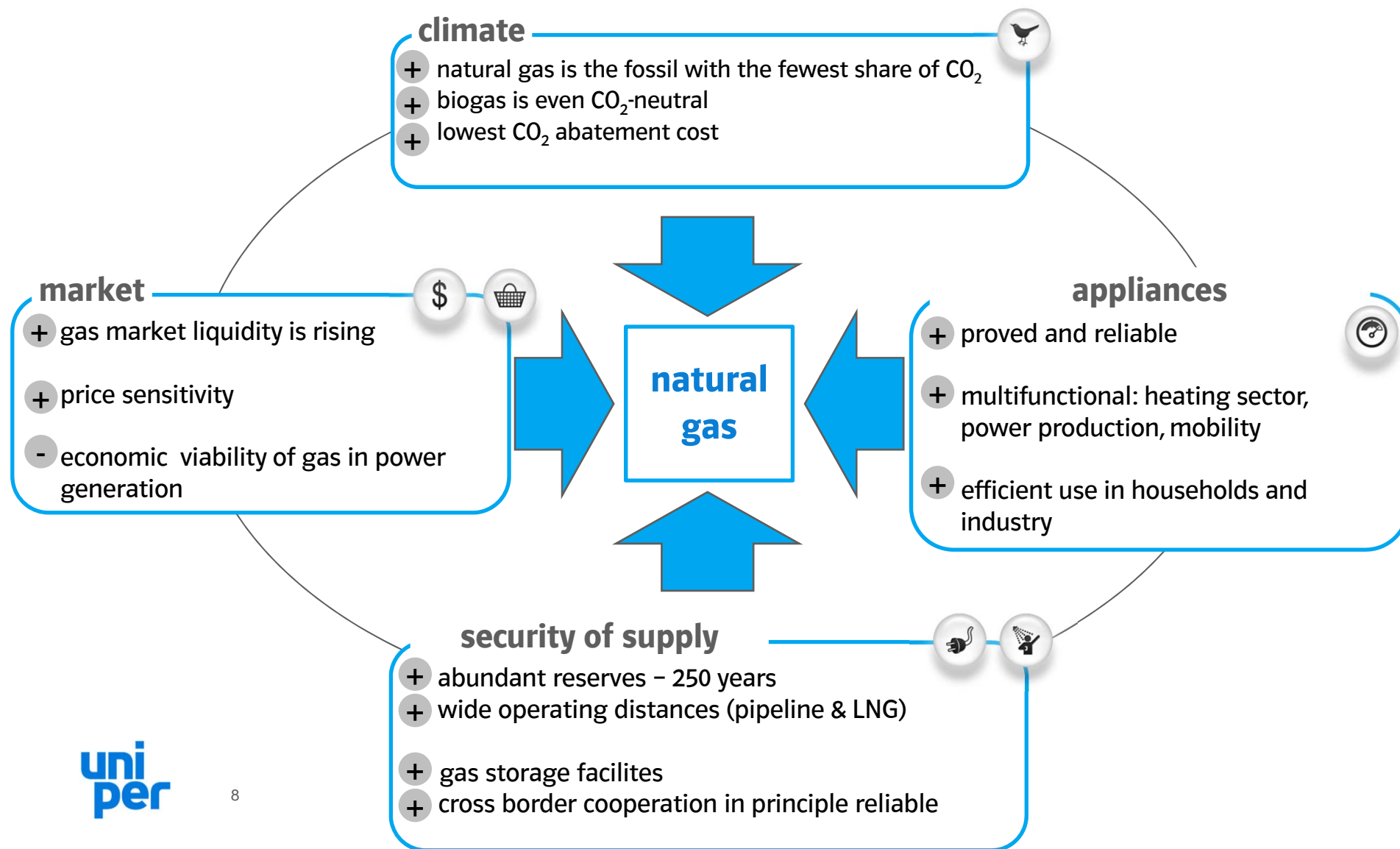


- **EU-Legislation:** existing in the fields of climate protection, renewable energies, energy efficiency, competition policy / internal market, security of supply
- **Energy Policy of the European Union:**
  - Primary law of EU did not have an own legal competence for energy policy
  - Lisbon Treaty created a consolidation of powers for energy policy (Art. 194 TFEU), but Member States still have the right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply

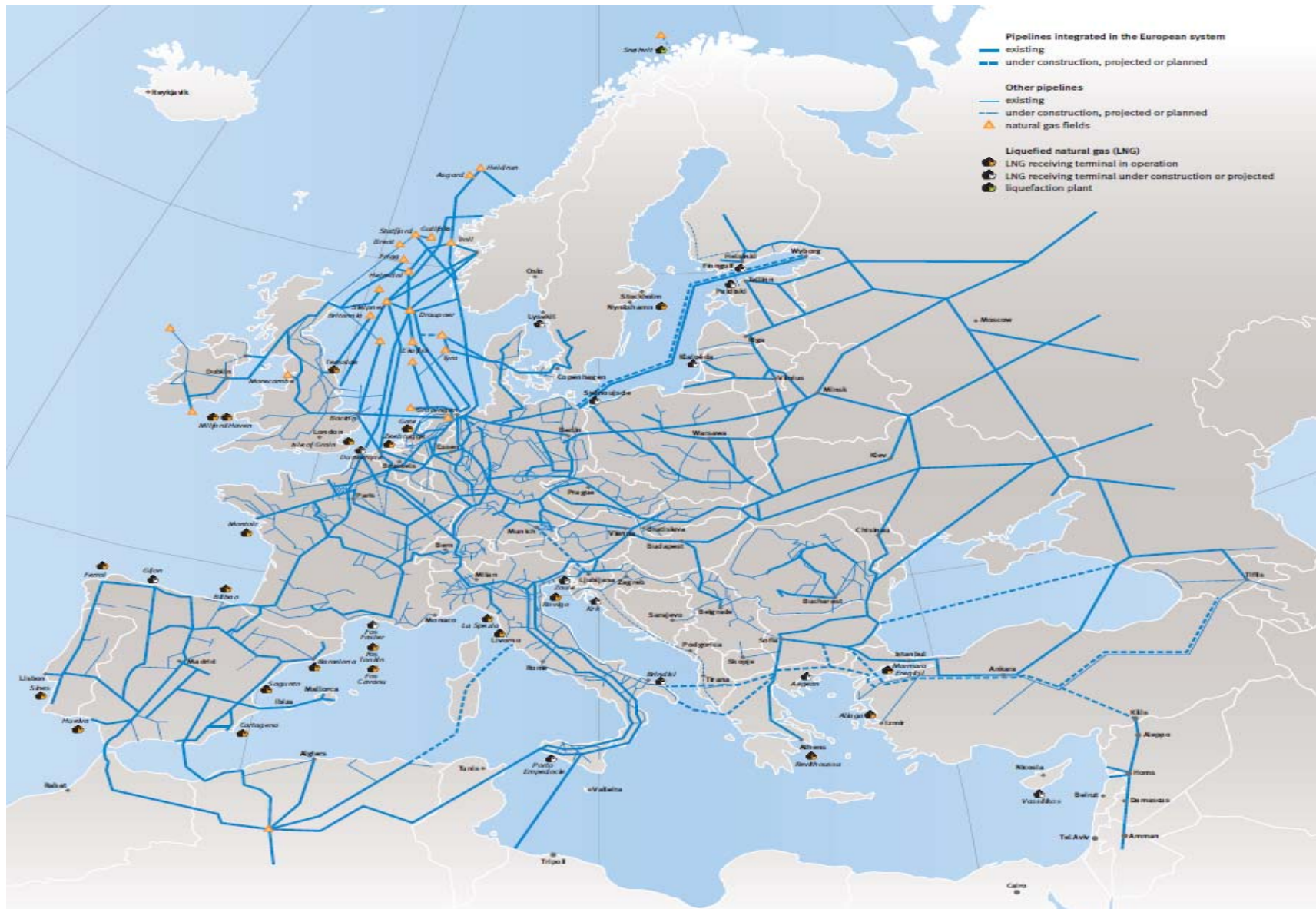
# The balance of the Energy Policy Triangle



# The importance of natural gas for the European Union

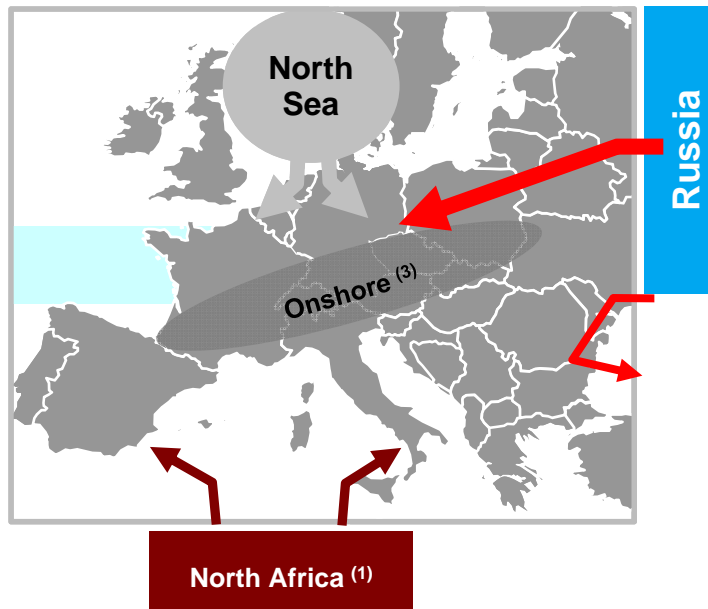






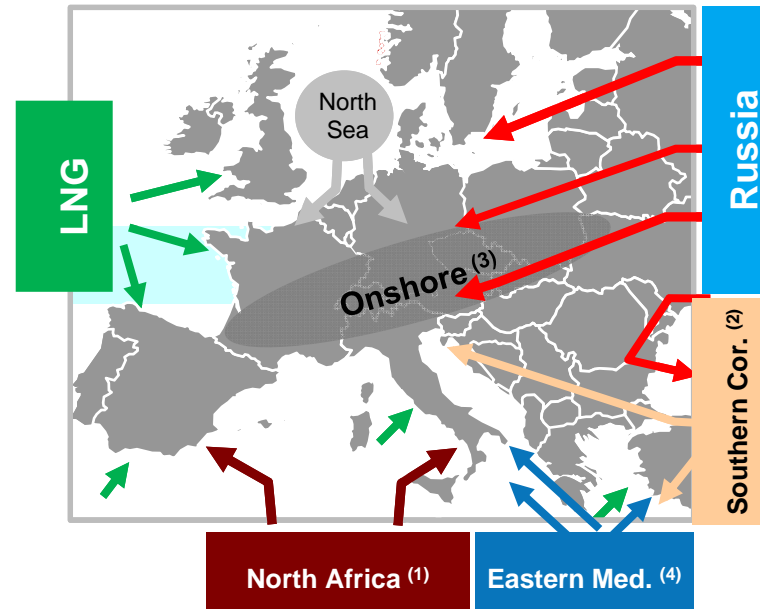
# European Diversification already improved

traditional gas supply sources



- LTCs Russia / North Africa
- North Sea production

current & future supply prospects



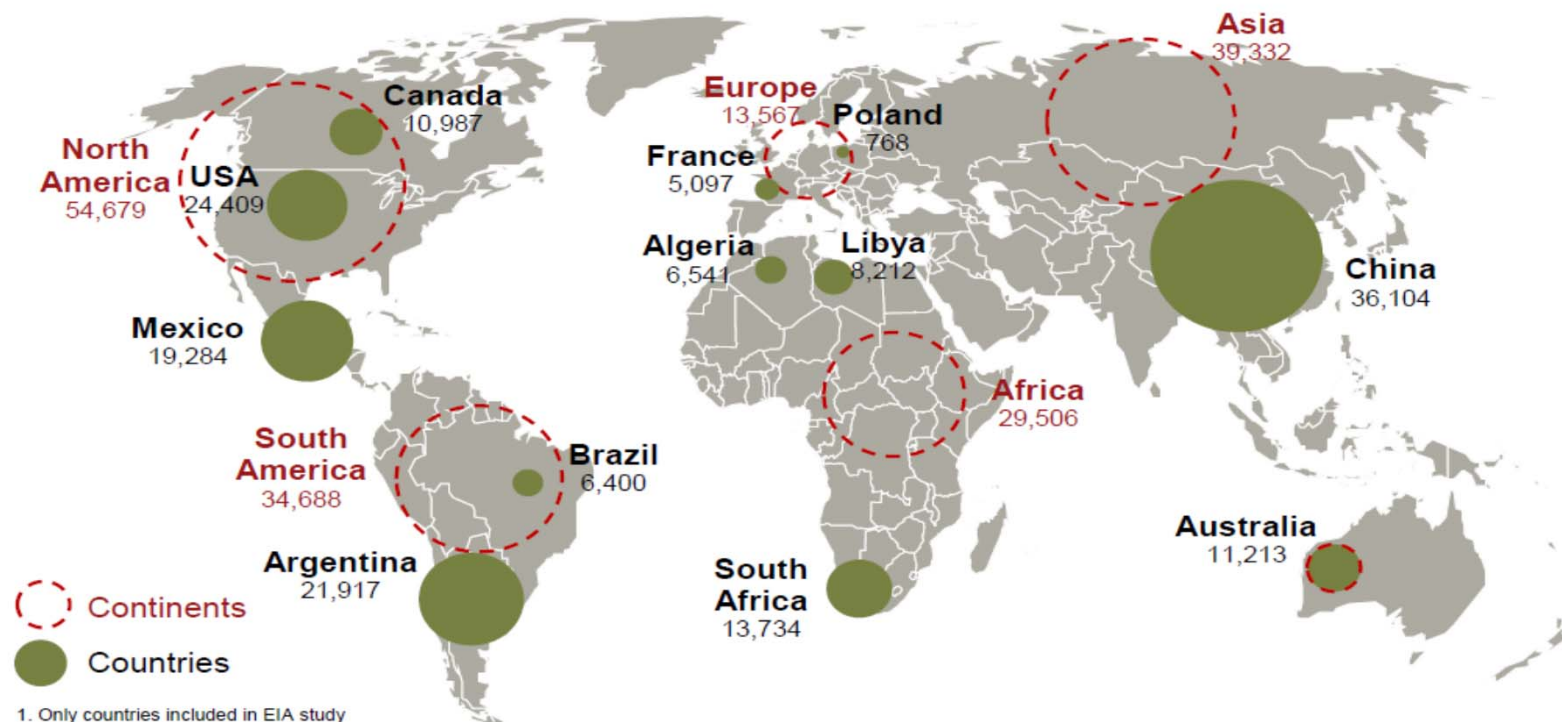
- LTCs Russia / North Africa
- LNG-imports
- Southern Corridor
- Eastern Mediterranean

# Global Shale Gas Perspective

Abundant unconventional gas resources are spread across all continents

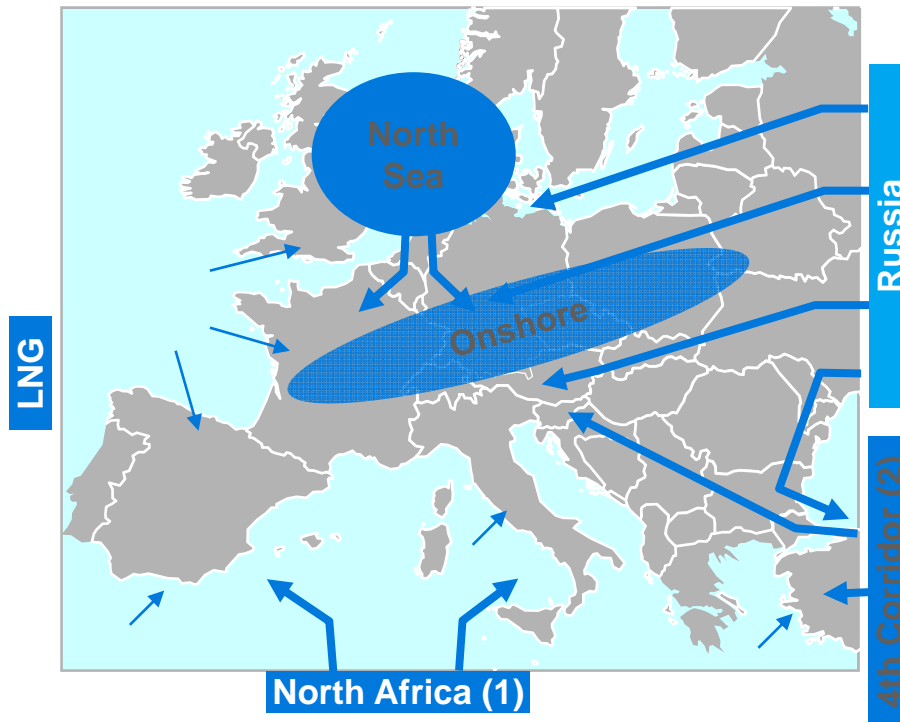
## Major global shale gas opportunities<sup>1</sup>

(Technically recoverable shale gas resources, bcm)



# Russian gas supply market share in Europe challenged by LNG, Unconventionals & 4th Corridor

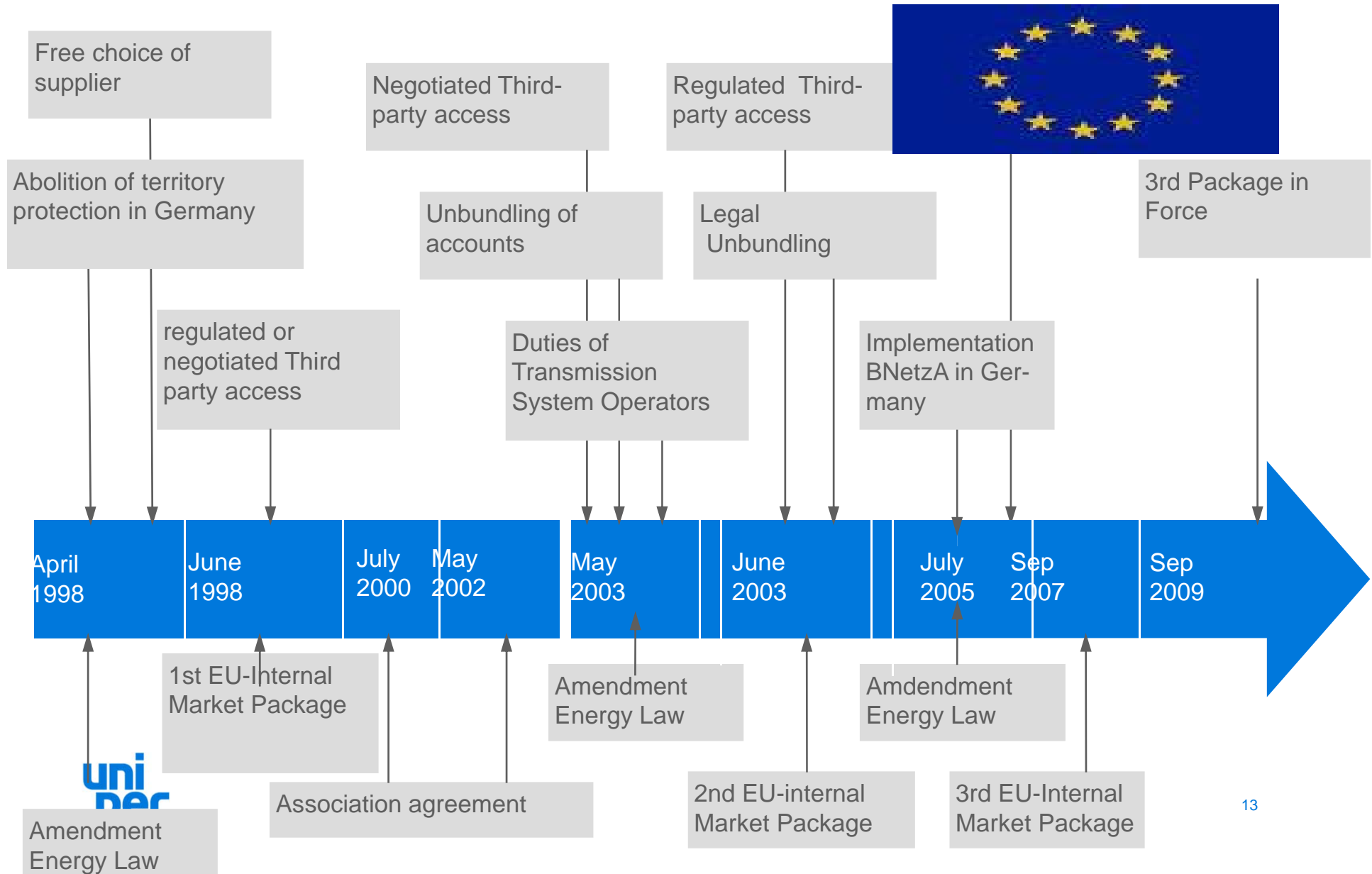
Competing European Gas Supply Sources



1) Piped supply only 2) Azerbaijan, Iraq, Iran, Turkmenistan

- 4<sup>th</sup> corridor and unconventional gas hardly to balance North Sea decline.
- Current demand situation, investment in 4<sup>th</sup> corridor, global LNG overcapacities & unconventional gas development might challenge Russian share.

# Development of EU-Gas Market Liberalization



# Further Development European Internal Gas Market

- **Gas Target Model**

- discussion between Commission, regulators and stakeholders to reach a real integrated European Gas Market
- different models have been under discussion, such as
  - cross-border market areas
  - trading regions
- Follow up now on European Level?

# On the way to an integrated European Natural Energy Market

**EU-goal:  
one gas market without borders**



**basic conditions**

- real „level playing field“ for all market players
- better conditions for cross border gas supply/  
better coordination between national networks
- no price regulation on commodity markets
- further development of liquid gas hubs
- full implementation of the „3rd EU-Energy-  
Internal Market-Package“ in all Member  
States

# European Energy Union

- **Communication European Commission (25 February 2015)**
- one of 10 policy priorities of Commission's President Juncker
- **vision:** Common European Space for energy (EU and beyond), in order to produce and consume energy by using new ways
- **purpose:** new impulse to current legal framework in the light of a a new focus on energy security
- strategy with **five mutually-reinforcing and closely interrelated *dimensions***
  - Energy security, solidarity and trust;
  - A fully integrated European energy market;
  - Energy efficiency contributing to moderation of demand;
  - Decarbonising the economy, and
  - Research, Innovation and Competitiveness



# European Energy Union

- **European Commission: Energy Security Package (16 February 2016)**
- **political aim:** focus on security of gas supply, but also on overarching goals, such as reducing energy demand, better management of supply from EU-external resources and enhancing the stability of EU's energy market
- **concrete proposals:**
  - proposal for amending Security of Gas Supply Regulation 994/2010
  - proposal for amending a decision on intergovernmental agreements in energy
  - liquefied natural gas (LNG) and gas storage strategy
  - heating and cooling strategy

# Gas deliveries to Western Europe more robust with Nord Stream



## Further pipeline projects to link supply sources and European gas markets with the Caspian Region are on the way

- Trans-Adriatic-Pipeline (TAP), planned route



## Conclusion on Natural Gas

- Natural gas remains an essential fuel for the energy mix within the EU.
- No “Either-or-Situation” shall arise with regard to current or possible future energy partners; existing partnerships have to be strengthened and new ones have to be developed; this applies for the Southern Gas Corridor, but also for prospective future LNG-deliveries from the North-American-Continent.
- Russian Gas Volumes are in a short term not alone replaceable with LNG or other pipeline gas.
- Security of Gas Supply should in principle be secured with market based instruments. A basic condition for this is a full implementation of the Internal Energy Market Rules in all Member States. Especially some Member States in Eastern Europe have still to deliver their homework here.
- The international dimension of the energy markets is very important, in order to get the necessary energy supplies from third countries; the EU should keep a facilitating role; we need a consistent External Energy Policy, but it is not the role of EU to enter into negotiations with gas producers.