

Unconventional Gas and Hydraulic Fracturing in the European Union

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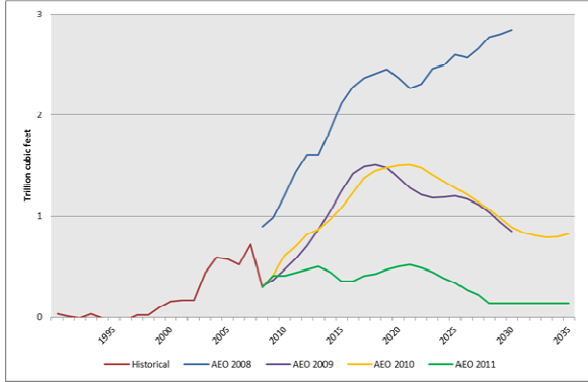
Source: Cuadrilla

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Positive Impact of US 'Shale Revolution'

Historical and projected net US LNG imports



- US gas production now similar to Russian levels
- US only uses 10% of its LNG import capacity
- More LNG available for Europe → Pressure on prices

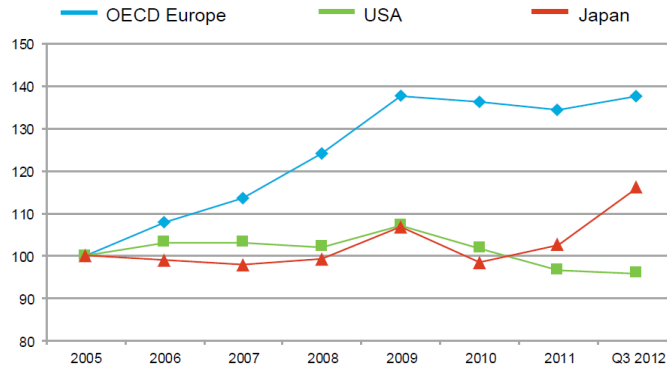
US Energy Information Administration, 'Various American Energy Outlooks'

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Energy Prices and Competitiveness

Evolution of end-user electricity prices for industry, taxes excluded (2005 = index 100)



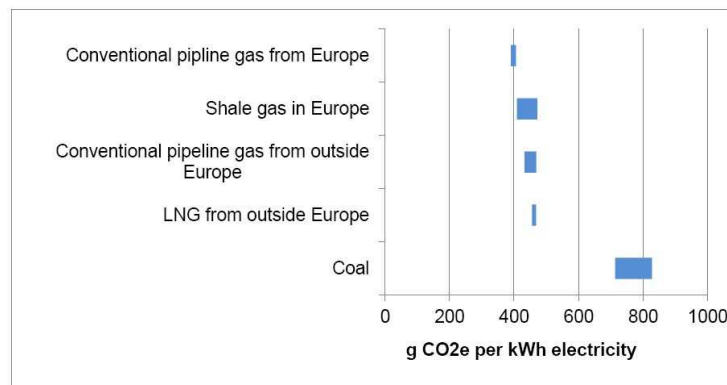
Source: International Energy Agency

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Decarbonisation Challenge

Lifecycle emissions from coal and gas fired electricity generation



Source: Climate impact of potential shale gas production in the EU. AEA et.al., 2012. Report for EC DG CLIMA.

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A New Policy Framework for 2030

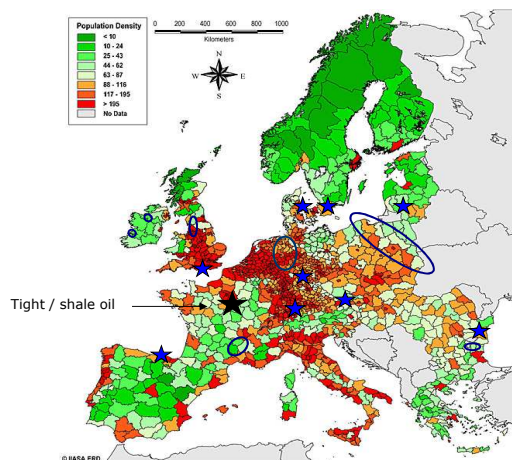
- **Questions in Green Paper of 27 March:**
 - **Targets**
 - **Coherence**
 - **Competitiveness**
 - **Member States' capacities**
- **Public consultation until 2 July 2013:**
http://ec.europa.eu/energy/consultations/20130702_green_paper_2030_en.htm

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Shale Gas in Europe ?



Commission Work Programme 2013:

"Environmental, climate and energy assessment framework to enable safe and secure unconventional hydrocarbon extraction"

Shale gas licenses: ★○

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Conclusions

- **Unconventional gas in Europe?**
 - **Geology, market, public acceptance...**
- **Needed for public acceptance**
 - **Improved technologies and practices**
 - **Adequate regulatory framework**
 - **Citizens: benefits, information and consultation**
- **Commission initiative in 2013:**
 - **Enabling benefits**
 - **Addressing risks**

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