UfM Gas Platform Newsletter

Issue #22 – December 2022

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Message from the UfM Gas Platform Secretariat

To conclude 2022, the OME, as Secretariat of the UfM Gas Platform, organized several events in cooperation with the European Commission. The December meetings, which all took place "physically" in Paris, gave an opportunity to all actors of the gas chain to hear from policy makers and industry on the key challenges, benefits and opportunities for strengthening and deepening cooperation and collaboration on energy and natural gas issues. During the two days of gathering, experts agreed that gas appears as the right tool to boost the ongoing energy transition in the Mediterranean.

During this quarter, the Secretariat of the Platform participated in several meetings to raise awareness and outreach of platform's activities to a larger public.

In October, the Secretariat participated in two MEDREG's events; a High-Level meeting on the Gas Crisis in the European Union and the Role of Regulators in Croatia on 3 October; and a capacity building session on "Infrastructure Investments, Network Remuneration, and Tariffs", in Italy, at MEDREG's new headquarters on 18 October. The Secretariat also jointly organized with WEC Italy (the Italian National Committee of the World Energy Council) a workshop on the theme "the Euro-Med energy context: new interconnections for natural gas and hydrogen" during Bologna Fiere Water and Energy (BFWE) Expo-forum (12-14 October). On 26 October, the OME, as Secretariat of the UfM Gas Platform, organised a new webinar, as part of its webinar series, with the aim of exchanging on the new energy security risks (cyber security, extreme situations, network, etc.) that could impact the Mediterranean region.

From 6 to 18 November 2022, the OME (co-)organised several side events to address the challenge the Mediterranean region faces to reach a just and successful energy transition, on the occasion of the 27th UN Climate Change Conference of the Parties (COP27) hosted by Egypt in Sharm-El-Sheikh.

In addition, the Secretariat of the Platform circulated the final version

The UfM Gas Platform is a concrete outcome of the will of the UfM members and major stakeholders to strengthen dialogue and cooperation between the EU and South and East Mediterranean countries.

More information available at: **ufmgasplatform.org**

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of the report *"The role and importance of South Mediterranean gas in European supply security"* in November, incorporating all the comments received by the Gas Platform members. An updated version of the UfM Gas Platform infrastructure database was also circulated in December 2022 to WG members.

Conference on the Future of Energy in the Mediterranean Region



More than 60 delegates, via Zoom or in person, participated in the conference

On 12 December 2022, the UfM Gas Platform Conference took place at the Hotel Hilton Opéra in Paris. Organized by the OME, with the support of the European Commission, the event was devoted to "The Future of Energy in the Mediterranean Region".

Recent geopolitical events, including the Ukrainian conflict, have put the entire energy sector into a once-in-a-generation crisis situation. As new vulnerabilities have been highlighted, the security of energy supply and affordabilities emerge as the priorities of the moment. Against this backdrop, the need to secure energy is one more major argument to accelerate the energy transition, regardless of its costs and its challenges, by tapping the huge energy efficiency potential, diversifying sources and moving gradually to clean energy also in the Mediterranean region.

As several participants to the conference pointed out, these are also promising times for increasing cooperation in the Mediterranean region. Decisions have to be taken, neither too hastily nor too late, creating lasting partnerships and bonds, as dialogue, collaboration and trust are a necessity. For the whole region, it is an opportunity to build a better future for the entire region. The development of renewable energies is indeed regarded as essential. But every form of energy can contribute, in particular natural gas. Even beyond this decade, gas will still be vital to achieving energy security and to making energy transition more sustainable and affordable.

Mediterranean Energy Perspectives to 2050



On 13 December 2022, the OME, in cooperation with the European Commission, organized in Paris a capacity building session providing an overview of the most important factors and uncertainties likely to affect the Mediterranean energy trends over the next 30 years under two different scenarios. It followed the launch, during the COP27 in Egypt, of OME's flagship publication, Mediterranean Energy Perspectives 2022.

OME experts presented the two scenarios of MEP 2022 which explore different pathways for the Mediterranean energy system to 2050, taking into account the impacts of the recent pandemic and energy crisis in its prognoses. For this outlook, OME has updated its Reference Scenario as a base scenario and an alternative scenario co-funded by the European Commission, the ProMED "Net Zero Carbon" Scenario where all Mediterranean countries reach carbon neutrality by 2050.

The EU has clearly embarked in a trajectory towards carbon neutrality by 2050. But the EU strategy can become fully effective only if its closest neighbours follow a similar path, as recalled by the 2021 EC Communication "A new Agenda for the Mediterranean". This requires strengthened cooperation at regional level. Regardless of the scenario, the South Mediterranean countries will account for all increase in energy demand through 2050 and will overtake the North Mediterranean demand by the end of this decade.

Achieving carbon neutrality for the Mediterranean region would not only involve a significant further acceleration in the deployment of clean energy technologies over the next 30 years but would also require the implementation of stringent energy efficiency policies & measures, including major behavioural changes.

Workshop on the role and importance of South Mediterranean gas in European supply security

Still on 13 December 2022 and in cooperation with the European Commission, the Secretariat of the Platform, organized a workshop where participants debated the role and importance of South Mediterranean gas in European supply security. Held in Paris, at the Hilton Paris Opéra Hotel, the workshop gathered more than 50 delegates, via Zoom or in person, from institutions and the industry from both shores of the Mediterranean Sea.



Since 2022, Europe turned into a premium market for LNG as Russian flows plummeted. Europe's incremental supply needs drive LNG growth and tightness, and entails a wholesale realignment of LNG trade flows around the world. And 2023 might be a very difficult year for the LNG market, not only for Europe but also for the rest of the World. Especially if Russian pipeline gas to the EU stops fully and China's LNG imports increase stronger than planned today, as almost no additional LNG is available globally.

In the longer run, EU's LNG imports will remain high even if gas demand declines significantly by 2030 because a high probability exists of Russian gas to never come back to Europe.

The South Mediterranean countries can help replacing a significant part of EU's Russian gas imports in the short, mid and longer term. They have the potential for higher production capacities thanks to significant untapped gas resources. However, increasing domestic gas demand, building new interconnections across the Mediterranean and the important investments required to fully exploit the resources are important challenges these countries will face to free up more gas for export.

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