



*Speech of GIE President*

**GIE Annual Conference 2016 – Introductory session**

8 June 2016, 11:30-12:30, Hotel Marinela, Sofia

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Dear Prime Minister, Boyko Borissov

Dear Minister, Temenuzhka Petkova

Dear Executive Director of Bulgartransgaz, Georgi Gegov

Distinguished guests and delegates,

Ladies and Gentlemen,

Dear Colleagues,

It is a great pleasure and satisfaction to welcome you in Sofia for the 14<sup>th</sup> edition of the GIE Annual Conference. I am extremely happy to see so many of you here today to discuss the latest and future developments of the gas and gas infrastructure industry.

But first of all, let me extend my sincere thanks to Bulgartransgaz for the warm hospitality and the outstanding

commitment in the preparation of this conference. Your contribution has been essential for making this conference successful. Again, thank you very much.

And, I think that we say that this year's conference is already a success - with over 400 speakers and delegates that have joined us today! This is truly impressive!

**[pause]**

Ladies and Gentlemen,

Last year, in Dublin, we have discussed at length the Energy Union proposal. We all agree – policy makers and the industry alike – that the completion of the internal gas market is an essential prerequisite to deliver on the Energy Union objectives.

At GIE we have been always fully committed to achieving the single and well-functioning energy market. In that respect,

we are in a continuous dialogue with policy makers, regulators and other stakeholders. We are also continuously pursuing voluntary initiatives to foster market integration and transparency and to enhance security of supply.

It is true that today there are many challenges for the gas industry. The prevailing macro-economic and some geo-political factors have a major impact on our business.

But there are also many opportunities. Let us keep that in mind.

There is such a great deal that we - as infrastructure operators - can capitalize on to shape the energy future in Europe. The energy future which is driven by decarbonisation and decentralization and which is underpinned by the objectives of energy efficiency and security of supply.

There is no doubt that gas infrastructure assets will play a major role in making this future a reality - for the benefit of the European economy and European citizens.

And, as gas industry we are responsible for showing to the general public that we can successfully embrace with confidence the changing role of gas in the energy system.

Of course we will need to work hand in hand with policy makers and regulators to ensure that the right regulatory framework is in place to make this shift a reality.

**[pause]**

This year and in the years to come, we will see important developments for the gas industry.

The adoption of the COP21 climate agreement, last December in Paris, will give an altogether new global impetus for the transition towards low-carbon economy. For Europe, this means that decarbonisation will have to take place faster and stronger.

Moreover, a wide policy discussion is going to take place regarding the implementation of the five dimensions of the Energy Union:

- security of supply,
- internal market,
- decarbonisation,
- energy efficiency,
- and, finally, research and innovation.

There is no doubt that gas and gas infrastructure will play a key role in achieving these goals.

Natural gas is not only the cleanest fossil fuel but it is also a high-scale resource facilitating integration of renewable energy sources. In Europe, the switch from coal to gas would slash carbon emissions by 20% globally, and by 60% in the power sector alone. And - for sure - the development of gas in the transport sector will certainly add to that. This makes gas an extremely powerful instrument to tackle climate change.

Gas is also an perfect partner for renewable by providing a flexible back-up for intermittent wind or solar. But I would like to stress here that gas should not be seen as *just* a back-up for renewables. In fact with the development of new technologies, gas will become increasingly greener itself.

The development of biogas and biomethane is an excellent example. Produced locally, biogas does not only help avoid carbon emissions from biomass or waste but it can also be combined with renewable energy sources allowing to create truly sustainable circular economies.

The existing gas infrastructure will support such developments. And, the further development of interconnections, which are of particular importance especially in this part of Europe, will not only help to enhance security of supply globally but will also boost the creation of a truly resilient and sustainable energy system.



**[pause]**

It goes without saying that the energy transition is driven by innovation. And, I am convinced, that Europe is extremely well positioned to be a world leader in this field.

The gas industry is already developing and implementing concrete innovations. I must say that I am very impressed by the agility and forward-looking approach of GIE members in that respect.

The development of biomethane, small scale LNG solutions, energy storage, power to gas or gas solutions in mobility are just some examples of actions taken today that will pave the way for the energy transition of tomorrow.

**[pause]**

This year's conference will address all of these major issues – the delivery of the Energy Union, the completion of the energy market and creation of the future energy system.

We will start this afternoon with a zoom in on Central and South-Eastern Europe to discuss together with the high level Energy Ministry representatives the regional cooperation and how it can help improve security of supply, foster market development and remove barriers to investment.

In Session Two we will focus on the implementation of the Energy Union. We will then close Day One with a wrap-up session where high level industry representatives will react on the topics raised during today's discussions.

During tomorrow's sessions we will take stock of the implementation of the internal gas market. And - finally - we will discuss the outlook and long-term perspectives for the future energy system.



But before we kick off with Session One, we will have the honour to hear the keynote addresses of the Prime Minister of Bulgaria Boyko Borissov, Vice-President of the European Commission in charge of Energy Union, Maroš Šefčovič, and Former Prime Minister of the Czech Republic Mirek Topolánek.

And now, let me give the floor to our dear friend and colleague, Georgi Gegov, Executive Director of Bulgartransgaz, our host for this GIE Annual Conference.

Thank you very much for your attention. I wish you a very fruitful and interesting conference.