

## Reverse flow, efficiency to support Ukraine: G7

Energy ministers of the G7 countries are looking at reversing gas flows and implementing energy efficiency measures as part of efforts to support Ukraine in the event of a gas crisis resulting from the escalating conflict with Russia, US Energy Secretary Ernest Moniz said Tuesday.

Speaking to journalists at the end of the meeting of G7 energy ministers in Rome, he said that “the situation is not obviously improving” and if it continues to escalate, “the G7 would move forward with sanctions, and at some points with sectoral sanctions.”

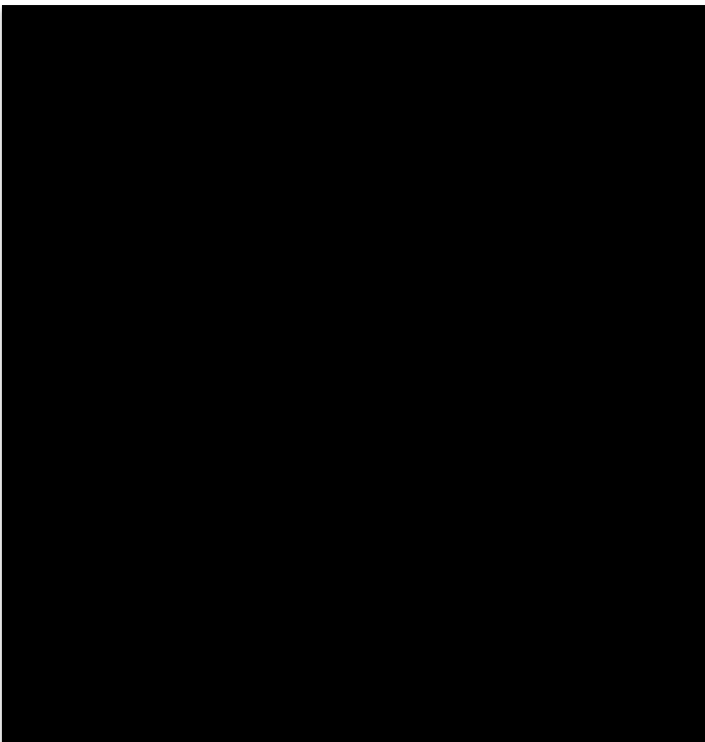
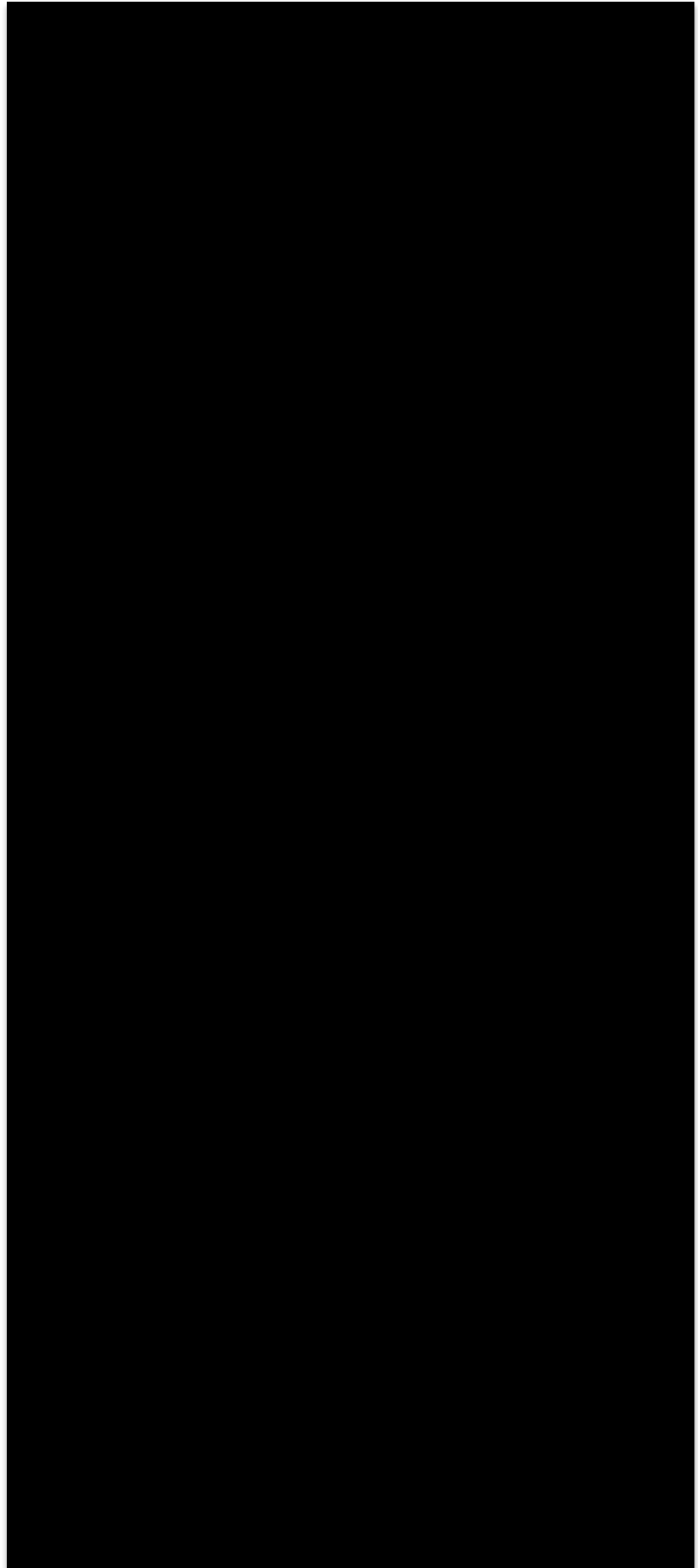
He said G7 energy ministers had discussed short-, medium- and long term actions to improve security of supply, and were considering in the short term “specifically reverse flows to provide some relief,” adding that G7 countries were working with international agencies in Ukraine to look at implementing energy efficiency measures.

Moniz said that the “US administration is very pleased with the solidarity in terms of moving forward with the sanctions with Russia,” although he said political and diplomatic solutions would have been preferred.

Speaking of US LNG exports, he said seven projects have been approved so far which would be able to supply some 96 billion cubic meters/year.

He added however that “the [authorization] process does not

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determine where cargoes go. What happens at the end of the decade depends on where the markets are.”

### G7 asks IEA to identify energy security actions: Italy's Guidi

Italian industry minister Federica Guidi said that ministers have asked the International Energy Agency to identify “within six months, individual and collective actions that the G7 will have to bring forward in energy security” and added that G7 countries were going to “give maximum support to IEA and other financial institutions to assist Ukraine” and in particular to help it implement measures to improve energy efficiency.

Guidi added that G7 energy ministers had drafted a joint statement that states had adopted and that was going to be submitted to G7 leaders later in June.

The statement identified some key objectives such as the “development of a flexible, transparent and competitive market, the diversification of sources and supply routes and support to indigenous production.”

Guidi said ministers had agreed that energy security was an area of collective responsibility and that countries were supporting efforts that were being made by the European Commission to develop an emergency plan for winter.

She added that G7 energy ministers were looking at developing gas and power infrastructure and were focusing on the global LNG market in particular.

Guidi said the LNG market “is destined to change in the next years and acquire growing importance” with the possibility of “closer commercial relationships” between Italy and the US and Canada “thanks to shale gas.”

She said Italy was still fully supporting both the Trans Adriatic Pipeline and South Stream to develop a southern gas corridor. — *Beatrice Bedeschi*

## Shale key to ween EU off Russian gas: Davey

Increasing the use of indigenous resources such as renewables and shale gas and improving interconnection infrastructure between markets are some of the key solutions Europe should look at to decrease its dependence on Russian energy imports, UK Energy and Climate Change Secretary Ed Davey told Platts in an interview.

On the margins of the G7 energy ministers meeting in Rome Monday, Davey said “there’s no silver bullet” to cutting dependence and that a combination of efforts would be needed.

These include diversifying energy supplies and sources, using more indigenous sources such as renewables and, “in the case of countries such as the UK, shale gas,” he said.

As well, he said, “We need to do more on interconnectors and pipelines. We need to focus on the gas market more,” and on “the global LNG market and [on] countries that can supply Europe with gas.”

He stressed that reducing Europe’s dependence on Russian imports is “not something you can do overnight, we need a long-term process,” adding that “what we need to do is similar to what we need to do for climate change.”

He said the proposals contained in the EU 2030 climate and energy package, which were in line with UK energy policies, were “very similar to the sort of thing we need to do for energy security.”

And he noted that the G7 energy ministers meeting was “the beginning of a quite important process with our allies to make

sure that the world does look at energy security seriously.” He said the ministers were working towards “setting a process with some clear principles” which would be “the foundation to quite a lot of work that is going to have to happen over the next few months and possibly years.”

#### **LNG ‘part of the solution’**

Asked whether US LNG supplies to Europe were a viable option to replace Russian volumes, he said that while it was not a short-term solution, because it could not happen quickly, “LNG is part of the solution for the gas market, so it’s shale gas, so it’s looking at countries that do supply gas to Europe but may want to do more such as North African countries, Central Asia, Norway.”

“There are actually more options than people sometimes think, but none of them are quick, easy, tomorrow solutions,” he said. “We need determined efforts.”

Asked how close Europe was to a gas crisis and interruption of Russian gas flows due to the escalating conflict in Ukraine, he said the situation was “not as bad as many people think,” noting there had been a mild winter and that there was “quite a lot” of gas supply in storage. He also cited other initiatives, such as “reverse flow technology, with Slovakia taking gas to Ukraine.”

Asked whether the UK supported the idea of further sanctions targeting Russian companies and officials, he said that was not the focus of the meeting, adding that the measures previously taken had already significantly affected Russia. Specifically, he noted that “the stock market has fallen significantly” and that economic growth had been forecast to decline in Russia, while at the same time the country’s “bond status is almost junk.”

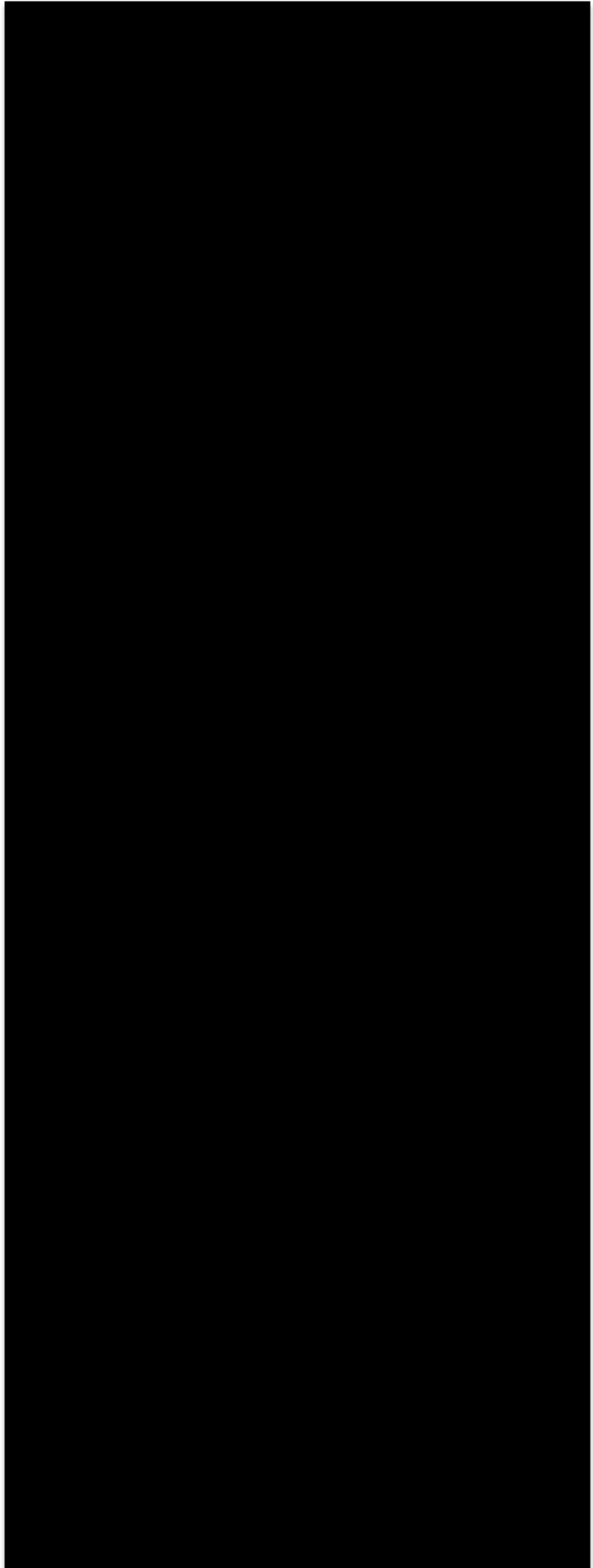
“If we need to take more, we will” he added. — *Beatrice Bedeschi*



## **Italy, Canada consider LNG deal**

Italian and Canadian officials have begun talks aimed at increasing cooperation on energy issues that will include conversations about possible imports of Canadian LNG, the two countries said in a joint statement Monday.

The statement from Italian Industry Minister Federica Guidi



and Canadian Natural Resources Minister Greg Rickford came at the end of a meeting between the two ahead of the G7 energy ministers' meeting in Rome.

In the statement, Guidi said "the cooperation that we intend to establish in the field of liquefied natural gas, a resource that Canada is rich in and that can contribute to further diversify Italian supply sources away from pipelines" was a "particularly relevant" matter for Italy.

She added that Italy and Canada "intend to shortly sign a joint statement on themes of common interest" such as "energy security, diversification of supply sources, realization of renewable energy potential and development of smart grids."

Rickford said the meeting "advanced the growing energy dialogue between our two countries" as "Canada and Italy are discussing collaboration that supports a long-term, secure, energy future."

"We are interested in encouraging diversification of supply, while increasing trade, investment and innovation related to hydrocarbons and renewable energy potential" he said.

Energy ministers of the US, UK, Italy, Japan, Canada, Germany and France are meeting between Monday and Tuesday to discuss energy supply security and diversification of energy sources.

A key focus of the meeting is expected to be the Ukraine-Russia crisis and how to decrease Europe's dependence on Russian energy supplies.

The ministers are expected to draft a proposal document to submit to a meeting of G7 leaders for approval later in June. — *Beatrice Bedeschi*

