

(CAB-VON DER LEYEN)

From: (CAB-VON DER LEYEN)
Sent: Wednesday, 13 April 2022 19:19
To: (CAB-VON DER LEYEN)
Subject: FW: Notes from energy CEOs VTC - 23 March 2022

From: VANDENBERGHE Kurt (CAB-VON DER LEYEN) @ec.europa.eu>
Sent: Wednesday, March 23, 2022 3:57 PM
To: GRASSI Stefano (CAB-SIMSON) @ec.europa.eu>; KADARIK Peeter (CAB-SIMSON) @ec.europa.eu>; JUUL-JOERGENSEN Ditte (ENER) @ec.europa.eu>; LOBILLO BORRERO Cristina (ENER) @ec.europa.eu>; @ec.europa.eu>
Subject: Notes from energy CEOs VTC - 23 March 2022

Dear Stefano and colleagues,

Herewith the main messages picked up from the President's VTC with energy CEOs.

- Europe pays a high price for energy because we are very dependent on imports.
- There are two problems: access to volume and price. Price is currently greatly determined by uncertainty in the market (on future supply).
- This uncertainty can be managed by either taking away the threat of sanctions or by demand curtailment.
- Policy answers are: (1) reducing demand (time for a big EU campaign for saving energy, need to protect critical supply chains, for example those ensuring the energy transition), (2) increasing local production (renewables, which requires a stable regulatory framework) and (3) diversifying supplies. This must be accompanied by measures to protect the vulnerable.
- Most (not all) guard against fiddling with market mechanisms, which would have unintended consequences. Example: Japan introduced a price cap which led to lower gas supplies, less investments and electricity black-outs.
- Majority says a gas (TTF) price cap will be problematic (in terms of security of supply, promoting commercial arbitrage etc). A price cap on Russian pipe gas could be discussed, but consequences should be analysed.
- LNG suppliers in the US are private sector operators. President Biden cannot impose deliveries. Best option is to envisage long term contracts. EU is paying a much higher (energy) price for sanctions than the US.
- This crisis should give a push to speed up FF55.

Conclusion: agreement to establish a working group with industry experts to:

- Provide detailed information on markets and on what is feasible in terms of envisaged measures;
- Discuss supply side solutions (where can additional supplies come from, what are possible bottlenecks, how to optimise the gas storage policy);
- Demand management (which will in any case require a coordinated EU approach in case of supply disruptions).

I will come back shortly with some comments on the working group (terms of reference).

Best,
Kurt

Company	Name and function of the representative	Confirmed	Comments
ERT	[REDACTED]	YES	
SHELL	[REDACTED]	YES	
PB	[REDACTED]	YES	
TOTAL	[REDACTED]	YES	
ENI	[REDACTED]	YES	
E.ON	[REDACTED]	YES	
VATTENFALL	[REDACTED]	YES	
ERT	[REDACTED]	YES	<i>listening mode only</i>
ERT	[REDACTED]	YES	<i>listening mode only</i>
	[REDACTED]	YES	<i>listening mode only</i>