

## **Gastech 2018**

### **Examining the Transitional Impacts of the New Energy Landscape on the Gas Industry**

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Introductory remarks by Elena Burmistrova,  
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Good afternoon Colleagues,

I'm delighted to be here at this important conference, and to exchange views on the processes that are shaping global energy today.

It's no secret that the energy world is undergoing one of the most fundamental transformations in its history. Earlier, the age of coal made way to the age of oil; and not long ago, there was no doubt that the age of gas would follow. Today, however, we hear a variety of opinions on which 'fuel' will serve as the basis for energy supplies in the 21<sup>st</sup> century.

Technology has enabled solutions that were considered fantasy just a short time ago. Global majors are striving to prove their ability to adapt to the new era by changing their structure and even changing their names, in an attempt to distance themselves from the very notion of fossil fuels.

Still, I'm convinced that the main concept that should define every company's attitude in times of transformation is responsibility. We cannot afford to regard energy autonomously, as a project aimed and able to test and develop every technology. All around the world, energy has been a backbone for consumers' security, for sustainability of related industries, and for the competitiveness of the whole economy for decades. This is why energy companies and governments are facing a double challenge today. While realizing the responsibility towards our climate and planet, no company, corporation, political power or NGO can forget their responsibility towards shareholders, consumers, voters and citizens. It would not be wise to choose a solution that would perceive one goal and sacrifice or downsize others, such as economic growth, or national welfare, or competitiveness and the reliability of energy systems.

This is why we, as a long-term and responsible gas supplier to Europe, are convinced that gas is just too advantageous to be abandoned in the name of less reliable and more expensive solutions. Gas can play a double role in decarbonizing the economy, helping significantly decrease the emissions rate in a number of sectors,

while solving the energy poverty issue. We aren't the only ones that see huge potential for gas: according to a consensus forecast based on recent estimates by global think tanks, no significant decrease in gas consumption in Europe is expected by 2030 or even by 2040.

An ideal energy mix both before and after 2030 combines gas and renewables, and accommodates a broad range of technologies allowing a decrease in emissions. Such a combined solution could be tuned to the specifics of single markets, could improve most of the opportunities offered by existing infrastructure, could offer protection from volatile supplies, and would not require enormous costs. All these are the qualities that a responsible energy mix for the 21<sup>st</sup> century should possess.

Switching from coal to gas in power generation is today the easiest and most affordable way to decrease CO<sub>2</sub> emissions quickly and without additional cost. The technologies available to produce hydrogen from gas offer an ideal decarbonized fuel. Both hydrogen and biomethane can be efficiently supplied through the existing grids, and the whole gas infrastructure provides the opportunity to transport and store excess energy gained from renewables. Gas is the most efficient and cheapest way to transport energy, compared to other fuels.

From a technical and economic point of view, gas isn't just a bridge fuel, but the justifiable fuel of choice in global energy. We have seen more than once how natural gas rescued the energy supply during dark and windless winter days. We've seen how it was able to significantly reduce emissions in transport, heating and power generation. And we've seen how switching from other fossil fuels to gas reduces costs. Gas has a strong business case that has every chance in the years to come. And even in a world of strong environmental commitments, gas has plenty of opportunities and can lead the way into a new, low-emission, sustainable and competitive energy reality.

Thank you for your attention!