



## **TABC Statement to the G7 Meeting of Energy Ministers** *Rome, May 5-6 2014*

May 2, 2014

Energy is the cornerstone of economic activity in G7 Countries. The provision of secure, affordable and sustainable energy underpins the competitiveness of industry and the welfare of citizens. It is crucial to focus our attention on energy policy as a prerequisite to spur long-term growth and employment. Any energy policy should be driven by three objectives: **competitiveness, security of supply and sustainability.**

### **COMPETITIVENESS**

**Liberalization in the trade of energy goods:** G7 Countries should promote the removal of impediments and export restrictions on energy sources, including crude oil, natural gas, finished oil products and feed stocks. Liberalizations of energy trade through free-trade agreements (such as the Transatlantic Trade and Investment Partnership (TTIP)) will avoid distortions and dislocations in energy markets and will bring net welfare benefits to businesses and consumers.

**Promoting investments in energy infrastructure and ensuring an appropriate investment climate:** A key enabler for investments in energy infrastructure, needed to ensure greater market liquidity, is to achieve a global level playing field that is predictable and stable. We should restore investor confidence through improved regulatory stability, consistency and coordination. Investors should be protected through systems of jurisprudence, rights to equitable treatment, and fair and impartial hearings of disputes.

**Integrating subsidised renewables into the market:** In order to ensure a competitive level playing field, G7 Countries should address subsidised energy sources. For instance, gradual elimination of subsidies on mature renewables in Europe would have a positive impact on energy bills for consumers and business.

### **SECURITY OF SUPPLY**

In order to enhance countries resilience to supply shock we propose the following measures:

**Enhancing indigenous resources:** G7 Countries should continue supporting and promoting the diversification of energy sources and routes and the exploitation of their indigenous (conventional and unconventional) energy sources in the framework of an integrated strategy. The responsible development of energy resources has the potential to further reduce prices for energy and feedstock while also stimulating the economy by adding resources to the industrial base.

**Strengthening relations with producing countries (i.e. East Med, North Africa, Mozambique):** It is in the best interest of all parties to support all potential supply opportunities. Re-launching the constructive dialogue with exporting countries is a challenge that should be addressed and pursued by G7 nations. Producers-consumers dialogue should be encouraged, nurtured and strengthened.

**Interconnecting the European internal market:** Europe holds the key to turn 28 natural gas markets into a single market through the development of interconnections and reverse flow mechanisms. The EU has already strongly invested in import infrastructure in order to enhance diversification and security of supply. In fact, it has increased its import capacity by approximately 40% since 2000 (additional 200 bcm).

## **SUSTAINABILITY**

G7 Countries should promote, to the extent of possible, compatibility in the areas of energy and environment-related standards and regulations in order to increase overall welfare. As far as Europe's energy policy is concerned, Member States should have flexibility regarding how they deliver their commitments in order to reflect national circumstances and respect their freedom to determine their energy mix. Indeed, a single GHG reduction target is the best and most cost-effective option to deliver lower emissions and to support investments in low carbon technologies. G7 Countries should cooperate to achieve an agreement during the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in 2015.

**Sustainable energy mix:** G7 Countries should address CO2 emissions reduction through cost effective measures. A sustainable energy mix should be reached through mature renewable energy sources and low emission fossil fuels, such as gas. For instance, in the U.S., the increased use of gas in the energy mix has played an important role in the reduction of emissions. Furthermore, the advantages of natural gas extend beyond cleaner electricity generation; natural gas complements intermittent renewable generation by delivering flexible and reliable energy supplies.

The Trans-Atlantic Business Council (TABC) is the largest transatlantic business association, wholly funded by over 70 global companies based in North America and Europe. Our mission is to promote a barrier-free transatlantic market that contributes to economic growth, innovation and security. We stand out as the only transatlantic business organization uniquely placed to provide one voice for EU and U.S. companies in the Transatlantic Trade and Investment Partnership (TTIP).