

Geopolitics Prevailing?

Assessing Short- and Long-Term
Implications for Russian-
Ukrainian and EU Energy
Relations

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Geopolitics
Prevailing?

Russian - Ukraine Energy Relations

- Urgent: a „Winter Deal“
 - Gas Price and Debt
 - “Gas Gap”

- Short- to Medium Term: Settlement of Contract Disputes
 - Both Parties went to Stockholm
- but for different reasons

- Medium- to Long-Term: Transit Issue
 - Future of gas transit and storage facilities
 - Management of gas transport/ transit

- Long-term issue: Crimea Annexation, Eastern Ukraine's Autonomy, Customs Union
 - ... Clash of Orders?

EU - Ukraine

- Trilateral Talks and Transit Issue
- Reverse flows to Ukraine
- Energy Community (since Feb. 2011)
 - Energy relevant Acquis Communautaire
 - Strengthening of the EnCom
- Long-Term: Stabilization of Ukraine
 - Energy System
 - but also Political and Economic Stabilization
 - Political Association Agreement and DCFTA
 - International Level: IMF, USA

EU - Russia

- PRESENT: Real Dilemma: political vs. economic interests
- AHEAD OF US: Paradigm Change?
- PAST: EU - Russia Energy Dialogue
 - Deterioration
 - Third Internal Market Package
 - Impact on Business Cases, Long-Term-Contracts
 - Uncertainty of Demand
- FUTURE: On Collision Course?
 - Spiral of Sanctions
 - Network Codes, Exemptions ...
 - Antitrust Case against Gazprom, Russia filing at WTO, YUKOS

EU Energy Policy

- From Solidarity to an Energy Union?
 - Indigenous Sources
 - Diversification
 - Infrastructure
 - Strengthening Bargaining Power vis-à-vis Russia

- Real Functioning Internal (Physical) Market
 - Externalities for SoS?

- Flexibility and Resilience
 - Critical Decisions ahead:
 - What are the Criteria?
 - Who should bear the Costs?
 - Stalemate between MS – EU level

Distribution of Costs and Benefits ...?

- What Role for Gas in the Energy Mix?
- Geopolitics Prevailing – but be aware of Trade-Offs!
- Re-Balancing the Strategic Triangle!