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CCS, market liberalisation and energy security dominate the agenda of the EC – Norway Energy Dialogue

Carbon capture and storage (CCS), energy security in Europe, liberalisation of energy markets and offshore wind were the main points on the agenda of the EC-Norway energy dialogue that Energy Commissioner, Andris Piebalgs and Norwegian Minister of Petroleum and Energy, Terje Riis-Johansen held today in Bergen (Norway). "The importance of Norway as an energy partner of the EU will never be underlined enough. It is not only EU's second main supplier of oil and gas, but also an important player in the internal energy market and a front-runner in clean energy technologies like CCS and renewables", said Commissioner Piebalgs after the meeting.

The European Union and Norway believe that development and world-wide deployment of cost efficient carbon capture and storage technologies are important to fight climate change. The Energy Dialogue, in fact, is held back to back with the conference "Fighting Climate Change with Carbon Capture and Storage", hosted by the Prime Minister of Norway, Mr Jens Stoltenberg. The European Commission presented its plans to develop twelve demonstration CCS projects by 2015.

During the dialogue, Norway expressed its wish to contribute to realizing EUs ambitious plans for CCS through having CCS as a priority sector under the Norwegian Financial Mechanism. The proposal implies that 20% of the EEA Norway grants, approx. €140 million for the new period 2009-2014, are allocated for this purpose. The Commission welcomed the Norwegian contribution and agreed to find ways to make sure that Norwegian participation supports the EU's goals and will be based on eligibility assessment already made by the EU. Talks will continue between Norway, the Commission and the Beneficiary States on how to use the funds most effectively.

The dialogue was also focused on the 3rd Energy Market Package that received its final approval in April. Minister Riis-Johansen congratulated Commissioner Piebalgs on reaching the agreement. Both Commissioner Piebalgs and Minister Riis-Johansen agreed that a well functioning energy market will contribute to energy security.

The two parties expressed disappointment on the suspension of the Skanled gas pipeline project. "Even though Skanled is a small gas pipeline, it would still contribute to enhancing energy security of the European Union and industrial development in the eastern part of Norway", Commissioner Piebalgs and Minister Riis-Johansen stated. Both Commissioner Piebalgs and Minister Riis-Johansen expressed hope that the Skanled project could be revitalized when the economic outlook become more positive.

The meeting concluded with an exchange of views on international energy issues.

Background

Norway is the world's third largest exporter of oil and gas after Saudi Arabia and Russia. Norway is the EU's second most important supplier of oil and gas – with more than 100 billion cubic meters of natural gas per year. Norway is a member of the European Economic Area Agreement. It applies most of the EU acquis including legislation on the internal energy market and related flanking policies (competitions, environment, consumer protections, research and development programmes etc.).

On 6 July 2005, the Energy Commissioner Andris Piebalgs and the Norwegian Minister of Petroleum and Energy Thorhild Widvey met in Oslo and agreed to further strengthen the bilateral energy dialogue. The EU-Norway Energy Dialogue principally aims at the coordination of energy policies in a wider sense, including research and technological development in the energy sector and relations with other energy producing countries. Issues related to the possible exploration of the energy resources in the High North, i.e. the Barents Sea, are also discussed in the framework of the Dialogue. Meetings between the EU and Norway at Ministerial level take place yearly.