North American developments and trends

Jérôme Ferrier
President IGU
IGU is the voice of 98% of the Global Gas Market
Shale gas leads US natural gas growth to 2040

Source: IEA Annual Energy Outlook 2013
Natural Gas Prices by Region 1996-2013

Source: BP Statistical Review 2014
US gas production grows faster than consumption

Source: IEA Annual Energy Outlook 2013
US LNG exports for 2015-2035: less than 2 % of reserves and 8 % of US cumulated gas consumption

Source: API

IEA-IEF-OPEC, October 30th, 2014
LNG Supply (Excluding North America)

Source: Oxford Institute for Energy Studies

IEA-IEF-OPEC, October 30th, 2014
North American LNG Imports and Exports to 2025

Source: Oxford Institute for Energy Studies
Share of Global LNG Trade

Source: BP Energy Outlook 2035

Source: IEA-IEF-OPEC, October 30th, 2014
Asian LNG Demand (Japan, Korea, Taiwan, India, China)

Source: Oxford Institute for Energy Studies
Break-even Destination Market Prices for US LNG to Europe and Asia

Source: Henderson (2013) and OIES

IEA-IEF-OPEC, October 30th, 2014
EU’s energy policy for Europe is a deterrent for new LNG import projects

Source: IEA
The EU ETS system and the collapse of CO2 price

Source: Thomson Reuters Point Carbon
Price indices for oil, gas, coal and electricity in the EU 2008-2013

Source: EU Commission
New coal-fired power capacities in Europe

Source: Ecoprog GmbH.

IEA-IEF-OPEC, October 30th, 2014
Coal has fallen below 35% of the US power generation mix

Source: IEA 2013
CO2 Emissions trend in US Power Generation (metric ton)

Source: NRDC 2014
The UK Emissions Performance Standards (EPS)
Energy Bill 2012 - 2013

- EPS requires that any new coal fired power plant demonstrate CCS on at least 300 MW of the proposed generating capacity
- Sets a CO2 emission limit at 450 g/kWh until 2045
- Guarantees stability of emission regulation until 2045 (grandfathering)
- EPS complements the economic signals provided by the Carbon Floor Price and, when applicable, the feed-in electricity purchase tariff with Contract for Difference (CFD)
- EPS gives incentives to « Good Quality » CHPs, by discounting the volumes of CO2 saved in the heat production by displacing other fossil fuels
The benefits of LNG exports on Employment

Source: NERA May 2014