G7 2017
ITALIA

G7 Rome Energy Ministerial Meeting
– Energy Security: from Rome 2014 to Rome 2017 –
Rome, 9-10 April 2017

Chair's Summary

Under the Italian Presidency, the Energy Ministers of Canada, France, Germany, Italy, Japan, the United Kingdom, the Secretary of Energy of the United States of America, and the European Commissioner for Climate Action and Energy (Heads of Delegation) met in Rome on 9-10 April 2017, to discuss developments since the Kitakyushu meeting held in 2016 and the entry into force of the historic UNFCCC Paris Agreement.

The Presidency thanks all the Heads of Delegation for the fruitful and constructive discussion and highlights the positive spirit of the meeting that reaffirmed the G7 commitment to move forward together.

The Heads of Delegation recalled the principles and exchanged views on the actions set out in the 2014 Rome Initiative for Energy Security, the 2015 Hamburg Initiative for Sustainable Energy Security and the 2016 Kitakyushu Initiative on Energy Security for Global Growth.

In the context of the crisis between Russia and Ukraine, and reaffirming the principles adopted in Rome in 2014, they reiterated that energy should not be used as a means of political coercion nor as a threat to security and that energy disputes should be solved through dialogue based on reciprocity, transparency and continued cooperation. They remain committed to support Ukraine and other countries vulnerable to energy supply disruptions to pursue resilient and fully competitive energy systems.

The Heads of Delegation exchanged views on the UNFCCC Paris Agreement and the COP22 in Marrakesh in 2016. The Secretary of Energy of the United States of America informed fellow Ministers and Commissioner that the United States is in the process of reviewing many of its policies and reserves its position on this issue, which will be communicated at a future date. The other Heads of Delegation reaffirmed their commitment towards the implementation of the Paris Agreement to effectively limit the increase in global temperature well below 2°C above pre-industrial level, to pursue efforts to limit the temperature increase to 1.5°C, encouraged all Parties to ratify the agreement and reaffirmed their commitment to accelerate the decarbonisation of the energy sector. They also reiterated their commitment to deliver the UN 2030 Sustainable Development Goal number 7.

All Heads of Delegation recognized the key role of the energy transition through the development of new market based clean energy technologies and through non market-distortive support measures. The enhancement of research and development of innovative technologies are crucial for the future, recognizing that economic growth and protecting the environment can and should be achieved simultaneously.

They welcomed the housing of the Clean Energy Ministerial (CEM) within the International Energy Agency (IEA) as well as the increased efforts of the IEA in fostering international energy efficiency collaboration.

They stressed that continued investment in the energy sector, in particular in quality energy infrastructure, in upstream development, in low emissions and in low carbon technologies and in energy efficiency, remains critically important for ensuring future energy security and mitigating risks to sustainable growth of global economy.

They took note of the significant progress achieved during the last three years to strengthen energy security in the context of sustainability and growth.

The Heads of Delegation discussed Energy Security, New Energy Drivers, Governing the Energy Transition and Global Issues.

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ENERGY SECURITY

Ensuring open, transparent, liquid and secure global markets for energy resources and technologies remains a top priority for the G7. The Heads of Delegation reaffirmed mutual cooperation and continued commitment to diversification, including diverse energy mix, routes and sources of supply, as core elements for energy security and improving the resilience of the energy systems.

Natural Gas

While underlining the strategic role of the existing transit routes for gas deliveries to Europe, the Heads of Delegation agreed to continue to promote gas security through the diversification of sources and routes of supply. They welcomed the opening of new pipeline interconnections, new gas supply corridors, and the start of new and future LNG exports, with the aim of increasing market liquidity and diversity, and the management of disruption and emergencies. They also discussed the important role of storage as a component to a secure gas system.

They reaffirmed the importance of greater flexibility of commercial clauses in LNG contracts, including relaxing destination clauses, and similar restrictive mechanisms. To this end, they encouraged the sharing of information, on a voluntary basis, of private sector and regulatory best practices.

They welcomed the IEA's study "Global Gas Security Review" 2016 and the 2016 IEA Gas Resiliency Assessment of Japan.

Cybersecurity of the energy sector

The Heads of Delegation agreed to continue discussions on cybersecurity threats in the electricity and other energy sectors. In addition, they agreed to continue discussions on different concepts of cybersecurity strategies in the energy sector and look forward to the G7 technical workshop which is planned by the Presidency in 2017. The first priority should be the protection of energy networks.

Relevant agencies and system operators should explore effective ways to implement collaboration and monitor progress achieved. They reiterated the importance of advancing cooperation with universities, research institutions and the private sector to promote the development of resilient energy systems capable of effective responses to emerging cyber threats in the energy sector.

Ukraine

Ukraine has made significant progress toward increasing the diversity of its energy supply and encouraging energy efficiency, and has taken positive steps on energy reforms. The Heads of Delegation endorsed the new progress report on G7 energy sector support for Ukraine and encouraged Ukraine to take full advantage of the skills, resources, assistance and information about policy best practices provided by the G7 during the last three years. They urged Ukraine to finalise and implement energy reforms, including work on a fully independent energy regulator, Naftogaz Corporate Governance reform, resilience planning, secure gas supplies, stepping up efforts on energy efficiency, and electricity and nuclear safety. They agreed to continue supporting Ukraine in these endeavours.

They highlighted the paramount importance of ensuring a high level of nuclear safety, including having a strong and independent nuclear regulatory authority. They urged the Ukrainian government to consider it as a major priority.

They encouraged Ukraine to maintain its gas transmission network in good operating condition. To this end, they supported continued cooperation among relevant G7, European and Ukrainian gas TSOs.

Electricity security and renewable energy integration

The Heads of Delegation exchanged views on policies and challenges of deploying clean, reliable and affordable energy from all sources in support of the global energy transition and reduction of CO2 emissions.

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They agreed to address the opportunities and the challenges of integrating variable and decentralised renewable energy resources to ensure a resilient energy system. In the transformation they see great opportunities for modernising their economies.

The Heads of Delegation discussed upgrading market rules, regulation and policy for delivering resilient, smart and clean investment, including capacity mechanisms, interconnections, smart grids, and demand-side management solution. Heads of Delegation agreed that actively engaging consumers in the energy transition is an important action to take.

Nuclear energy and safety

The Heads of Delegation reaffirmed the importance of achieving and maintaining the highest levels of nuclear safety, security and non-proliferation. In those countries which opt to use it, nuclear energy contributes to the security of energy supply as base load energy source and provides access to carbon-free energy.

NEW ENERGY DRIVERS

Noting the close relationship between energy transition, economic growth, and employment, the Heads of Delegation acknowledged that G7 countries should play a leading role in facilitating investments in secure and sustainable energy including strengthening efforts in energy research and development.

Energy related employment

The Heads of Delegation welcomed the G7 technical workshop on March 24 in Rome on the assessment of energy related employment, and agreed on improving existing data collection systems, providing consistent and complete definitions, and quantifying energy jobs across all sectors of the economy, working with relevant international organizations.

They exchanged views on how to continue to work cooperatively to understand energy workforce development and to produce better data in the context of the global energy transition.

Research and Innovation

The Heads of Delegation discussed Mission Innovation (MI) and Clean Energy Ministerial (CEM) as a strategic initiative to accelerate research, development, and demonstration (RD&D) in clean energy technology areas. The Heads of Delegation considered MI a key tool to support clean growth and the global transition to a low carbon economy. They agreed to continue to encourage collaboration between relevant research laboratories and institutes in line with the 2016 Kitakyushu Initiative.

The Heads of Delegation noted that fossil fuels will remain a part of the global energy mix for some time and agreed to continue to progressively reduce their greenhouse gas (GHG) emissions. In this context, they encouraged countries which opt to make use of carbon capture, use and storage (CCUS) to collaborate on large-scale demonstration projects and related technologies.

They welcomed the progress report on the Second Phase of IEA's Technology Roadmaps, focused on viable and high impact technologies.

GOVERNING ENERGY TRANSITION

The Heads of Delegation exchanged views on new energy technologies, systems and business models required to implement rules and policies that effectively address horizontal issues across the energy sector in a holistic way.

Energy efficiency

All Heads of Delegation agreed to the key role of energy efficiency as first fuel in the context of progressively reducing emissions across the energy sector.

They discussed how to integrate energy efficiency policies in infrastructure planning, rules and financing in order to optimize the future design of networks and supply-side investment choices to strengthen the resilience of energy systems.

They agreed, in countries where this issue is relevant, to consider ways to improve how public energy efficiency investments are reflected in public accounting rules in order to better support the development of investment programs including through Public-Private Partnerships.

They welcomed the progress of the IEA's work on energy efficiency and ask the IEA to continue to take forward this work, including on market-based instruments.

Inefficient Fossil Fuel Subsidies

The Heads of Delegation reiterated the commitment of phasing out inefficient fossil fuel subsidies that encourage wasteful consumption, and encouraged all countries to do so, by 2025.

Low-carbonisation of transport

The Heads of Delegation exchanged their views on increasing the share of alternative fuels and electric mobility. They discussed enabling conditions and frameworks to promote a comprehensive innovation strategy for increasing sustainable and advanced low- and zero-emission fuels, such as CNG, LNG, and electricity across all modes and uses of transport.

GLOBAL ISSUES

The Heads of Delegation remained committed to increase international efforts to grant access to affordable, reliable, sustainable and modern energy for all in Africa and developing countries in other regions by addressing energy poverty, increasing electricity access and mobilizing substantial financial resources from private investors, development finance institutions, and multilateral development banks. They recognized the great potential of sustainable, reliable and secure energy access in Africa.

They welcomed the outcomes of the side-event "Africa 2030" on April 9 organized under the auspices of the Italian G7 Presidency.

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