



Statement on behalf of Friends of the Earth Europe and Food & Water Europe
Event in the European Parliament, May 14, 2013:
Beyond the hype: The economics of shale gas in Europe

Thank you for giving us the time to make a short statement.

At a time when:

- The EU ETS has failed to drive investments in low-carbon technology.
- The Commission stated that “further efforts are needed to achieve the 2020 [renewables] targets”.
- There is no agreement about the 2030 climate and energy targets.
- CO₂ concentrations in the atmosphere have reached the highest level in mankind’s history.

In this context, the EU is starting a conversation about opening up a whole new fossil fuel resource. This is in our view misguided.

Yet, economic considerations seem to trump the question whether shale gas is compatible with the agreed 80-95% reduction of GHG in Europe by 2050.

Shale gas is predicted to be some instantaneous miracle cure for the competitiveness of EU economies.

- Vast quantities of shale gas will soon reduce energy prices.
- It will reduce import dependency.
- It will deliver generous royalties to public coffers
- It will reshore formerly offshored industries and deliver jobs

Given these major projected benefits, unconventional fossil fuels are quickly moving up the agenda. Recently, a lot of hope has been pinned on the development of this next generation fossil fuels.



A statement by Commissioner Oettinger's during a Parliamentary debate epitomized the hype about shale gas: He claimed that 10 to 15% of EU's natural gas consumption in 2030 will come from domestically produced shale gas.

Such comments led Friends of the Earth Europe and Food & Water Europe to take the initiative for this event. We hold – and a wide range of energy analysts with us – that developing commercial quantities of shale gas in the EU will be environmentally risky, expensive, capital- not labor-intensive and unlikely to arrive before 2025/2030. And despite the billions of Euros invested, there is no guarantee that shale gas will be an economically viable enterprise in the EU.

To talk about the economic viability of shale gas before even finalizing the discussion about an adequate EU regulatory framework is putting the cart before the horse.

In our view, wishful thinking guides most Brussels-based conversations about the potential role of unconventional gas in Europe. No serious conversation about its cumulative, environmental impacts can happen in such a context. This event intends to offer a reality check.

The EU cannot drill its way to decarbonisation. Rather than trying – and likely failing – to imitate the shale gas boom in the US, Europe should build on and defend where it is already leading the world: further bringing down the cost of renewables, building more energy-efficient infrastructure, invest in innovation to solve technological challenges of a grid dominated by intermittent renewables. This agenda, not shale gas, will deliver answers to the triple challenge of restoring the EU's competitiveness, securing energy supplies and reducing emissions.