

# European Commission Gas Quality Workshop


Kristóf Kovács  
European Commission, DG Energy

5 December 2011

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# Gas Quality Timeline

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- 1999 First Madrid Forum addresses Gas Quality (GQ)
  - 2002 Formation of EASEE-gas to “streamline interoperability”
  - 2005 Publication of GQ Common Business Practices by EASEE-gas
  - 2006 Tractabel Study for EC on Interoperability
  - 2007 European Commission (EC) issues mandate to CEN to draw up European standards
  - 2009 EC issues CBA of gas harmonisation in EU
  - 2011 Preliminary CBA report and final report of phase I of CEN Mandate (testing of appliances)
  - 2012 EC Roadmap on Gas Quality

# Goal of today's workshop

- To gain a common understanding and further insight in:
  - » Gas quality issues that affect trade, safety or security of supply;
  - » The impact of these issues for different market players;
  - » How to tailor a set of solutions to address the gas quality issues most (cost) effectively?

# Gas Quality issues

- Increase of imports from a growing number of sources, including in particular LNG
- The liberalization of European gas markets and the objective of stronger market integration increases in cross-border trade
- Biogas and potential sources of unconventional gas

*Trade and flows will be affected, but to what extent?*

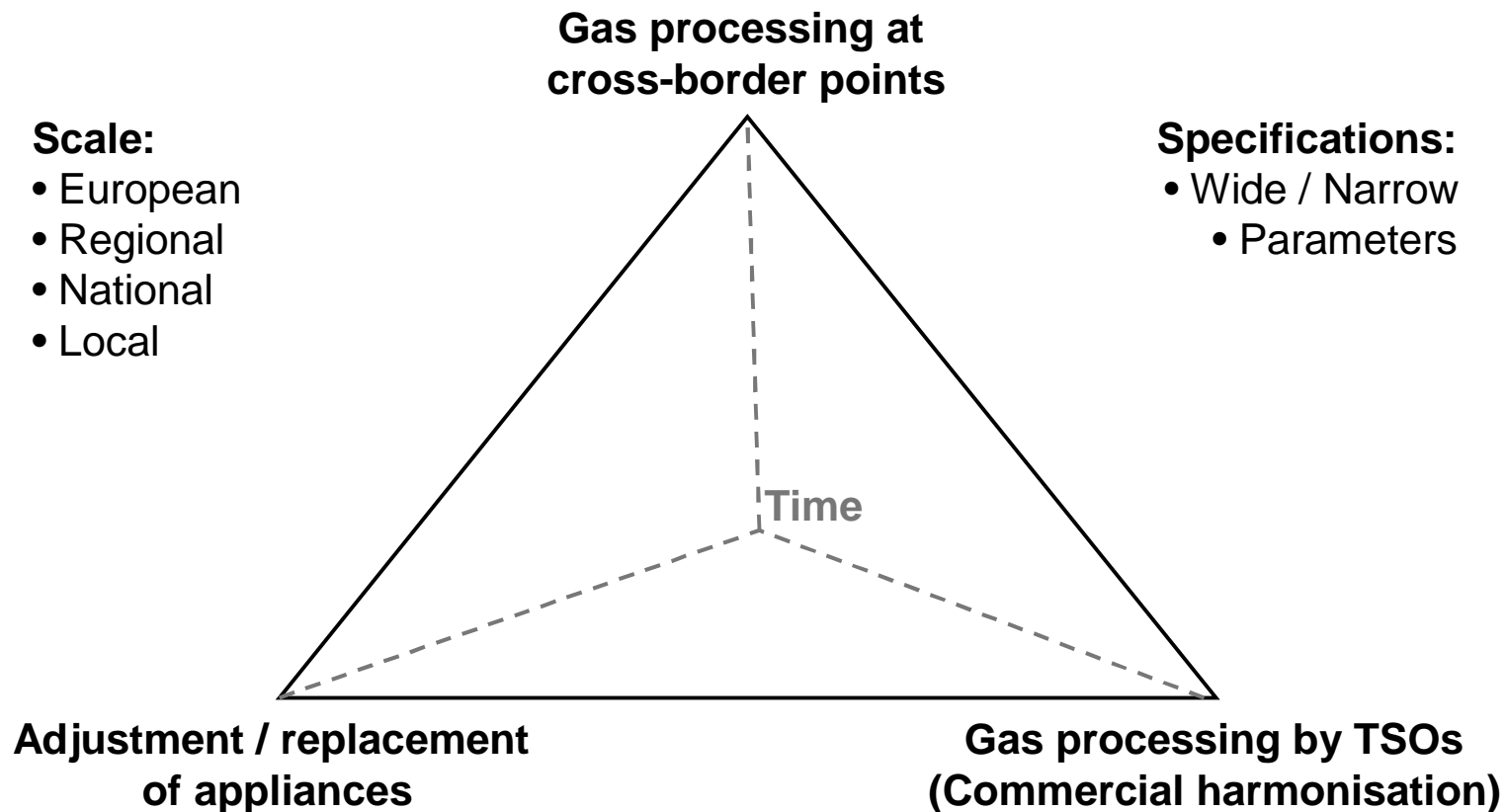
# Possible solutions (1): Technical dimension

- Consumer level
  - » Appliances adjustment/replacement: to meet single specification
- TSO level
  - » Retain existing national gas quality specifications
  - » Two possibilities:
    - i) Gas processing at cross-border and/or EU entry points to meet local gas quality specifications. This obliges TSOs to accept all gas compliant with gas quality specification.
    - ii) Commercial harmonisation allowing shippers to be oblivious to gas quality, moving gas quality risk and the mitigation costs to the TSOs

## Possible solutions (2): Tailoring dimensions

- Geographic
  - » Harmonise only there where needed either on European, regional, national or local scale.
    - are „temporary by-pass measures (as stated in 2006 EC study) still sufficient and will they remain so?
- Time
  - » Application of a step-wise approach to harmonisation, e.g. taking in account life cycle of appliances.
- Specifications
  - » Narrow or wide Wobbe index
  - » Which parameters? WI, d, S, H<sub>2</sub>S, COS, RSH, O<sub>2</sub>, CO<sub>2</sub>, H<sub>2</sub>O DP, HC DP?

# Possible solutions (3): Overview



*How to tailor a most cost effective set of solutions?*



# Today's starting point (1): CBA

- Preliminary outcomes of CBA analysis
  - » EU solutions seem to be very cost-intensive
    - What are the costs of “doing nothing”?
    - Where is action really needed?
- Responses to preliminary CBA report
  - » Favouring of regional and step-wise approach
  - » Solve local problems first
  - » Main issue is fluctuation in gas quality

## Today's starting point (2): Presentations

- **GL Noble Denton and Pöyry Management Consulting**
  - » Angus Paxton
  - » Nigel Bryant
- **CEER/ACER**
  - » Geert Van Hauwermeiren
- **EASEE GAS**
  - » Robert van Rede
- **EUROMOT**
  - » Paul Zepf
- **ENTSO-G**
  - » Panos Panousos
- **MARCOGAZ**
  - » Daniel Hec

## Afternoon: open floor session

- Further discussion to crystallize out the most efficient and effective solutions, taking into account the interest, to the extent possible of all involved stakeholders.