

GDF SUEZ answer to DG ENER'S public consultation on the preliminary consultant report on cost-benefit assessment of Gas Quality Harmonization in the EU

1. Do you agree with the high level conclusions of this report?

GDF SUEZ is of the opinion that it is useful to harmonize Europe's gas quality specifications in order to facilitate inter-operability between infrastructure operators.

This preliminary report has been made assuming that harmonization is achieved through the adoption of the Easee-gas specification. The report does not mention that EASEE-gas specifications as described in the CBP are only applicable on EU cross border points i.e. for large gas transits. It was not intended to use these specifications on distribution networks, where other gas specification limits shall be considered.

Based on this assumption - Easee gas specification - , and on the cost-benefit analysis performed, the report concludes that "a net benefit would not materialize from harmonization of Europe's gas quality specifications".

GDF SUEZ believes that, if full harmonization is not possible, further analyses should be performed in order to identify which specification could be acceptable to the largest number of Member States, at minimum costs. Specifications should be wide enough to be endorsed by Member states.

In addition, GDF SUEZ considers that some effort should be made to improve the data used in the report, such as test results from the GASQUAL project working under M400.. Moreover, the report is considering that the Wobbe range proposed by EASEE-gas is exceeding the current H range, which is not true. Indeed, the EASEE-gas proposed range is included in the H range as defined in EN 437.

2. As a manufacturer, do you maintain an inventory of installed appliances?

Not applicable

3. Are there any specific gas quality related issues not recognised in this report?

- Biomethane should be considered in this report, especially since it starts being injected in the transportation networks
- Odorisation : As it can lead to restrictions to cross border trade, odorisation is a very important subject with respect to interoperability and should be fully tackled in the core report. In particular, as noted by the consultant, work is currently being carried out on this topic by Marcogaz. As Marcogaz approach is mainly technical, this topic would benefit from a confrontation of the two studies; the Poyry report should be more concentrated on the cost-benefit aspects.
- Fluctuations in gas quality: One of the main issues in certain Member States (e.g. the Netherlands) at the moment is the fluctuations in the gas quality (f.i. Wobbe-index). Efforts should be significantly enhanced to facilitate a stable quality of gas.

4. Do you manufacture appliances that can operate over the full EASEE-gas specification without loss of efficiency or increase of emissions?

Not applicable

5. Do you have evidence of damage or failures caused by appliance operating on gas that is not compliant with the local gas quality specification?

6. We believe that gas not compliant with specifications could cause damages on appliances or have financial implications for the final consumers. But this case is very rarely recorded thanks to the good management by DSOs and TSOs who ensure that gas respects the local gas quality specification. We therefore don't have any evidence of damage or failures caused by appliance operating on gas that is not compliant with the local gas quality specification. Would you support the adoption of the proposed EUROMOT gas quality specification (Appendix B)?

GDF SUEZ does not support the adoption of EUROMOT gas quality specification for the following reasons:

- The methane number excludes most of the LNG
- Ignitability and low combustion are parameters specific to gas engines, and not specific to the gas industry. There is no mention of these parameters in gas contracts.

This EUROMOT gas quality specification would imply more constraints, which are not required by the majority of Member States (given that gas engines are already in operation in the Member States). Moreover, the resulting costs would have to be supported by all consumers, although most of them are not concerned (cross-subsidies).

7. Are there specific circumstances that should be assessed in detail?

The harmonization of gas quality implies a lot of costs, which should be properly allocated among all stakeholders concerned.

In addition, if infrastructure operators are required to invest in gas processing facilities, the related investments and costs should be recovered from the downstream users, and also minimized in order to maintain the attractiveness of Europe within the global market

8. Do you consider that the data used to undertake this analysis is sufficient to support the conclusions presented in this report?

No, see answer to question 1.

9. Should significant effort be made to improve the data used in the analysis presented in this report?

Yes, see answer to question 1.

10. Do you have access to further data that could (if it were made available) improve the quality of the data used in the analysis presented in this report?

Depending on the kind of information requested, the infrastructure subsidiaries of GDF Suez (GRTgaz, Storengy and Elengy) should be in the position to provide further data.

11. Can you provide typical detailed gas composition at cross border points?

See answer to question 10.

12. If so, can this data be made available (respecting confidentiality, as required)?

See answer to question 10.

13. How should data be collected for such a study?

See answer to question 10.