Directorate-General for Energy and Transport

EUROPEAN COMMISSION

GAS QUALITY

The European policy

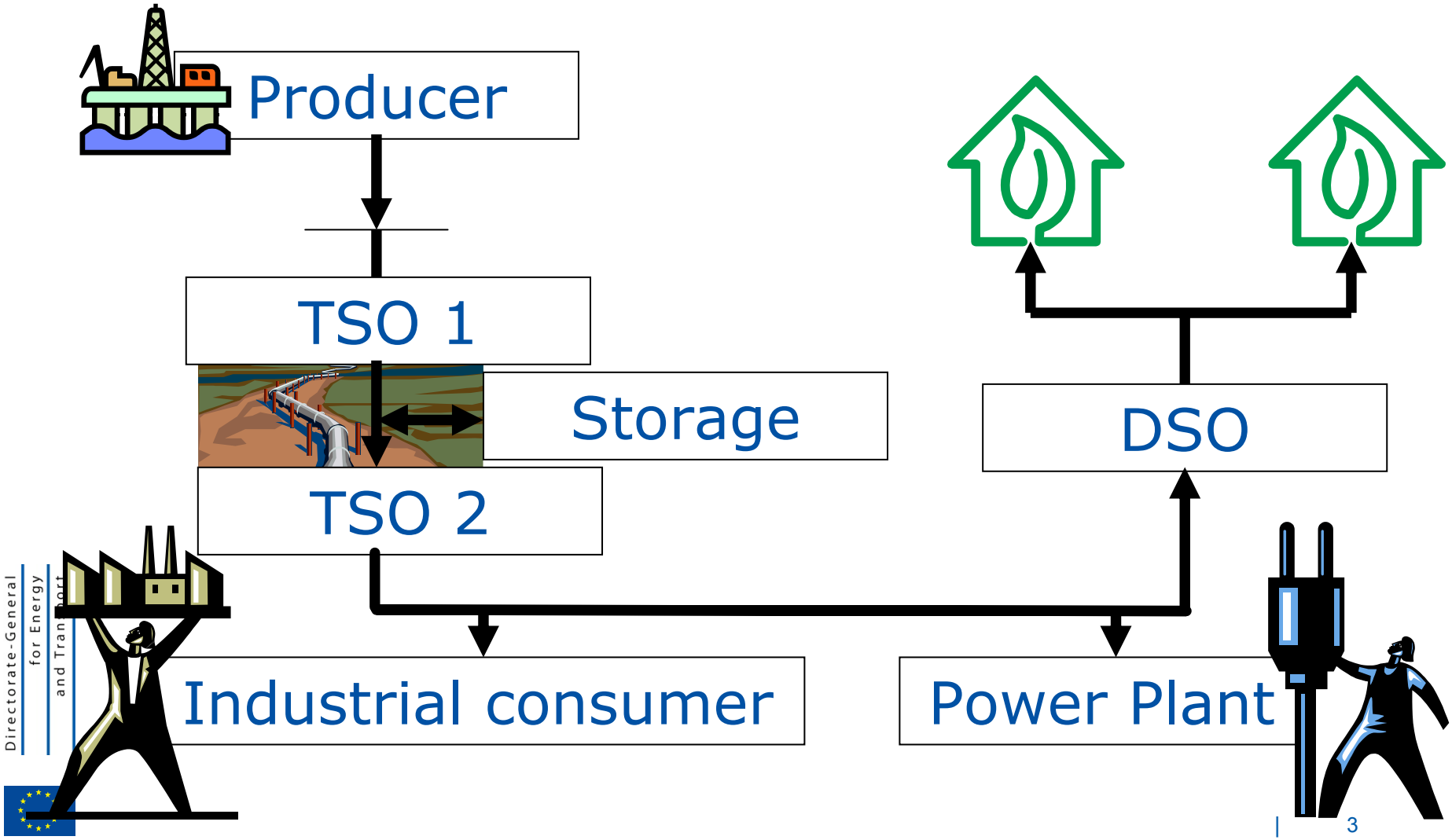
C2 – Electricity and Gas
Mark van Stiphout

Content

- The gas supply chain
- European policies and gas quality
- The internal energy market: Physics vs. Contracts
- Harmonisation of gas quality
- Mandate to CEN

Directorate-General for Energy and Transport

The gas supply chain



EU policy and gas quality

- Competition
  - » Gas supply market
  - » Gas appliance market
  - » Industry that uses gas as feedstock
- Security of Supply
  - » Long-term: supply to the EU
  - » Short-term: response to crises
- Sustainability
  - » Gas as back-up fuel to renewables
  - » Gas as cleanest fossil fuel
  - » Efficiency of appliances
- Safety

Directorate-General for Energy and Transport

Climate change and energy efficiency

- Efficient appliances:
  - » Boilers
  - » CHP
  - » Industrial appliances (turbines)
- Emissions
  - » CO2
  - » NOx
- Biogas

→ Other units in DG ENER are involved

Directorate-General for Energy and Transport

Internal energy market and security of supply

- Network integration
- Decoupling of physical flow and contractual ownership:
  - » Entry-exit systems
  - » Backhaul
  - » Hubs, trading and liquidity
- Decrease of domestic consumption
- Variety of imports
- Reverse flows and emergencies

→ Physical vs. Contractual flows?

Directorate-General for Energy and Transport

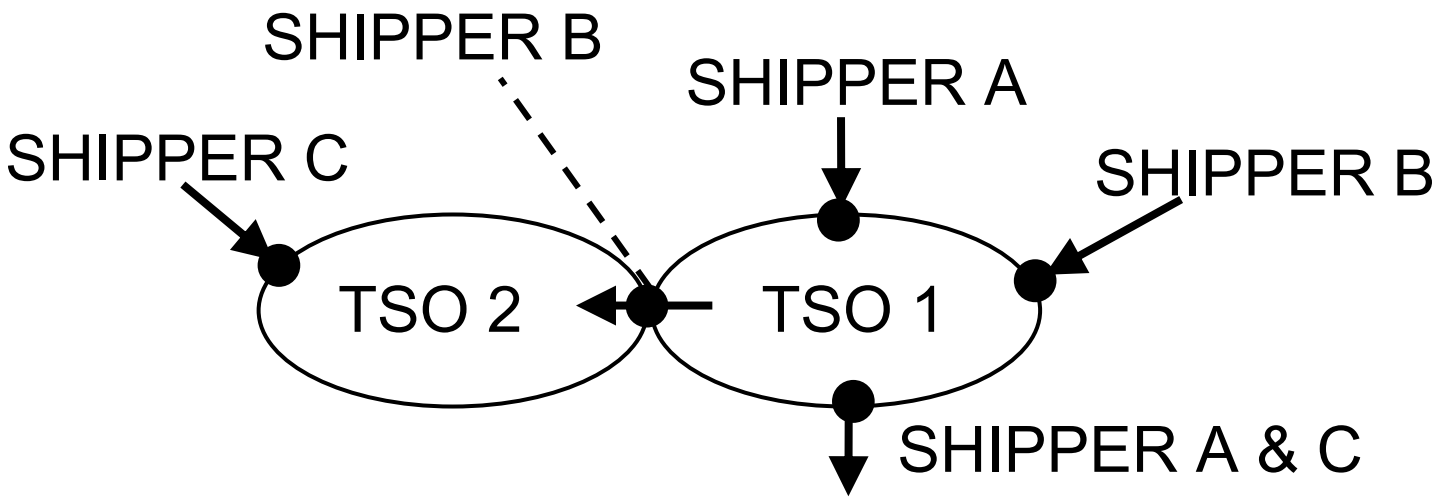
Responsibility and ability

- TSOs know the gas
- TSOs have the ability

→ Within their system!

- Suppliers own the gas
- Suppliers have the responsibility

→ For their own gas!



Directorate-General for Energy and Transport

Policy and gas quality Goals

- Sustainability and climate change
  - » Low emissions
  - » Very efficient appliances
- Safety
- Competition and Security of supply
  - » Maximum flexibility

→ Conflictuous goals???

Directorate-General for Energy and Transport

Gas Quality has always been an issue

- 1st European Regulatory Forum for Gas in 1999
- EASEE-gas CBP
- EU's interoperability project: inventory

Directorate-General for Energy and Transport

But it has not been solved yet!

- CBP ends at the border
- Gas ends at the burner tip
- What is the effect on appliances?

→Mandate to CEN to develop GQ standards

→Assess effects on the whole gas chain

Directorate-General for Energy and Transport

CEN Mandate M/400

- Testing of appliances for combustion parameters
  - » Including installation and maintenance
  - » Efficiency, safety, emissions
- Costs and benefits of harmonisation for the whole chain
  - » Scenarios of gas flows and sources
  - » Indicators for the whole chain based on policy framework
- CEN to define gas quality standards

→ define standards that are as wide as possible within reasonable costs

Directorate-General for Energy and Transport

Testing of appliances: GASQUAL

- Monitored and tendered by CEN
- Testing of appliances throughout the EU
- Testing laboratories
- Costs: 3 million Euros
- Funding by DG ENTR and DG TREN

Directorate-General for Energy and Transport

Cost-Benefit analysis for the whole gas chain: GL and Pöyry

- Producers, Suppliers, Traders
- Infrastructure operators
- Appliance users, e.g. turbines
- Testing results are input

- Scenarios to model gas variation in the EU
- Cost indicators to analyse costs for different actors in different scenarios

→ Where to put the costs?

Directorate-General for Energy and Transport

Planning

- Gasqual: end of 2010
- GL Industries: end of 2011
  - » Scenario development
  - » Meetings with stakeholders for cost information
- CEN standard: 2013

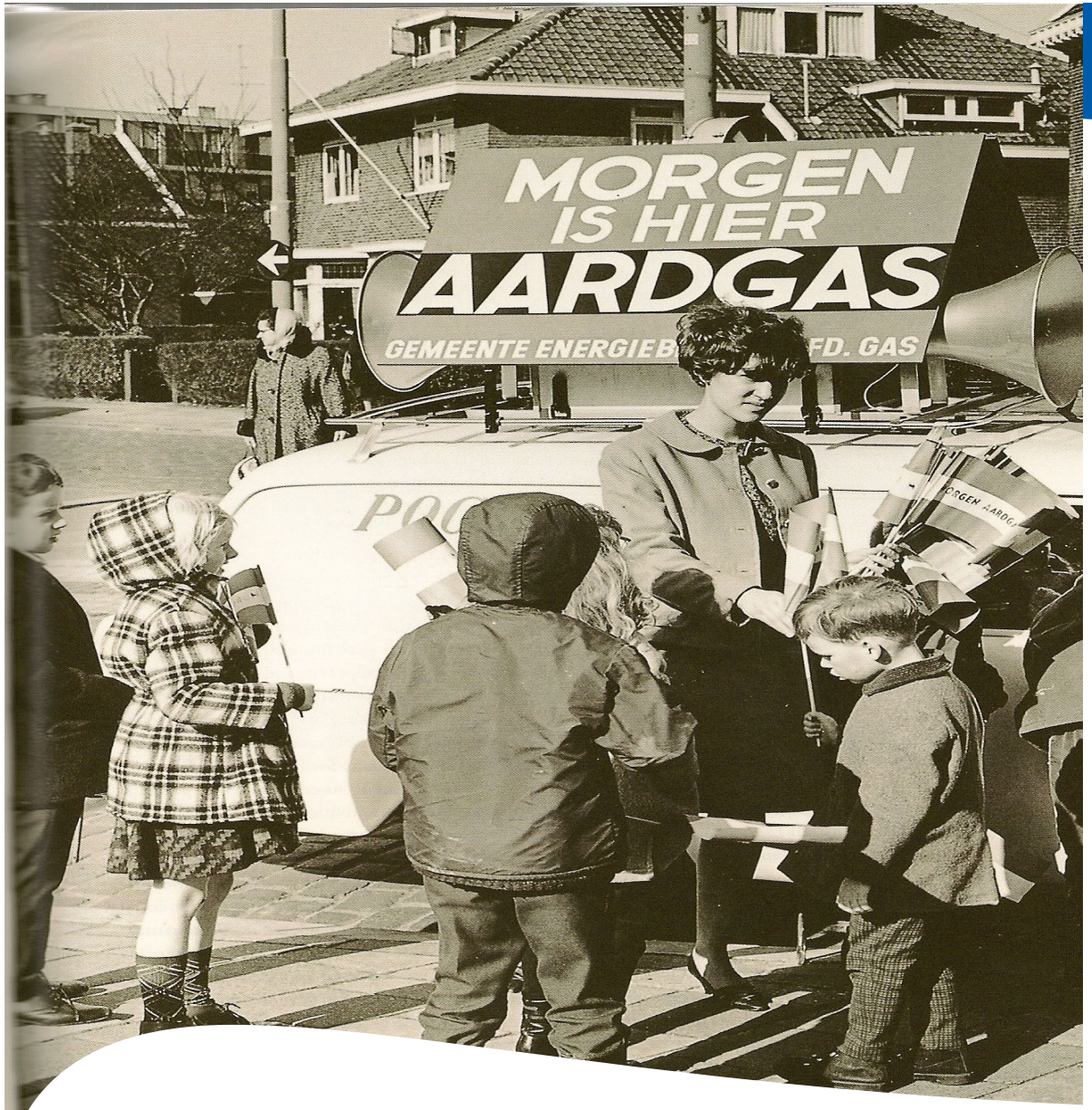
Directorate-General for Energy and Transport

Conclusion

- Gas quality needs a standard
- Analyse effect on whole gas chain
- Interaction with appliance policy
- CBA to find optimal allocation of costs
- Clarify responsibilities
- Standards for the future!

→ Get involved in the solution:
participate in the workshop tomorrow

Directorate-General for Energy and Transport



Thank you for your attention

- http://ec.europa.eu/energy/gas_electricity/gas_quality_harmonisation_en.htm