Role of gas in decarbonizing EU energy sector

ENTSOG perspective
EU-Russia Gas Advisory Council - WS2
Brussels – December 7, 2018

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Some quantification of the gas potentials

Cost efficiency with green gases vs. full electrification in studies:
- Pöyry 2018 Decarbonisation Study estimates 94 B€/y savings for EU
- Ecofys 2018 “Gas for Climate” study estimates 138 B€/y savings for EU
- Frontier Economics 2017 Green Gas Study estimates 12B€/y savings for Germany

European-wide exchange and storage of renewable energies via the gas infrastructure

Gas cross-border transmission capacity equals more than 3x current wind/solar capacity

Further quantification and scenarios work pending
ENTSOGs Themes for Gas Package 2020

Hybrid Energy Infrastructure
Building on both electricity and gas is more efficient, resilient, sustainable and less expensive EU energy system

Product & Service Innovation
Products & services of TSOs to address market needs & support efficient and sustainable use of assets

Technology Neutrality
All relevant technologies to contribute to transition based on a level playing field for support schemes & funding

New Gas Markets
CO2 reductions and air quality gains with natural gas in some regions - and in longer term with decarbonised gas

Green Gas Innovation
Improved framework for green gases in decarbonised gas system to speed up EU energy transition

Enabling decarbonisation by gas and gas infrastructure

Solutions to be driven by need for & contributions to decarbonisation - and should include sector coupling, energy efficiency and digitalisation
ENTSOG Messages for Gas Package 2020

BUILD ON SYNERGIES

• Political acceptance/support at EU and MS level for a hybrid energy carrier system - utilizing electricity and gas assets efficiently and obtaining improved flexibility and security of supply
• Improve sector integration between electricity and gas, also including transport and heat
• Obtain better regulatory coordination between electricity and gas on both EU and MS level
• Ensure level playing field for green energy technologies, including green gas support schemes

INNOVATE WITH GAS

• Promote and support innovation decarbonizing the gas sector
• Establish consistent terminology for renewable/decarbonised/climate-neutral gases
• Establish EU-wide green gas certification for trustworthy tracking and efficient cross-border trading of green gases
• Incentivize TSO product/service innovation - meeting needs to decarbonize EU energy system
• Clarify role of gas grid operators in facilitating decarbonizing of EU energy system – including scaling up R&D/pilot projects, investing & operating P2G biogas facilities etc.
• Establish risk-reward scheme for gas-related innovation ensuring sufficient investments/R&D

ENTSOG will contribute actively and constructively to the Gas Package 2020 process
Evolving discussion on decarbonization

Evolution of discussion on gas infrastructure:
From stranded assets and decommissioning
To optimal usage of existing assets
Through support for concept of Hybrid energy infrastructure
CONDITION: decarbonization of gas infrastructure

Evolution of discussion on gas demand:
From full electrification path
To sector coupling and more open strategy with more stable gas position
Through realistic roll-out plan for decarbonized and renewable gases
CONDITION: decarbonization of gas and methane leakage prevention
New ENTSOG Website

www.entsog.eu - to be launched 12 December

FUTURE OF GAS INFRASTRUCTURE

Including ENTSOG response to EU Long-term strategy for GHG Emission Reduction

MEMBERS INNOVATIVE ACTIVITIES

Including 60 projects with direct involvement of EU TSOs
Thank You for Your Attention

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