



# marcogaz

Technical Association of the European Gas Industry

**DEVELOPMENT OF EUROPEAN ENERGY POLICY IN THE CONTEXT OF THE TIMES**

Views from a Technical Perspective

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THE AUTUMN GAS CONFERENCE, 3-4 OCTOBER 2022

# SUMMARY

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🔥 **About MARCOGAZ**

🔥 **The Context of the Times**

🔥 **REPowerEU**

🔥 **EU Gas & H2 Markets Regulation**

🔥 **Methane Emissions Regulation**

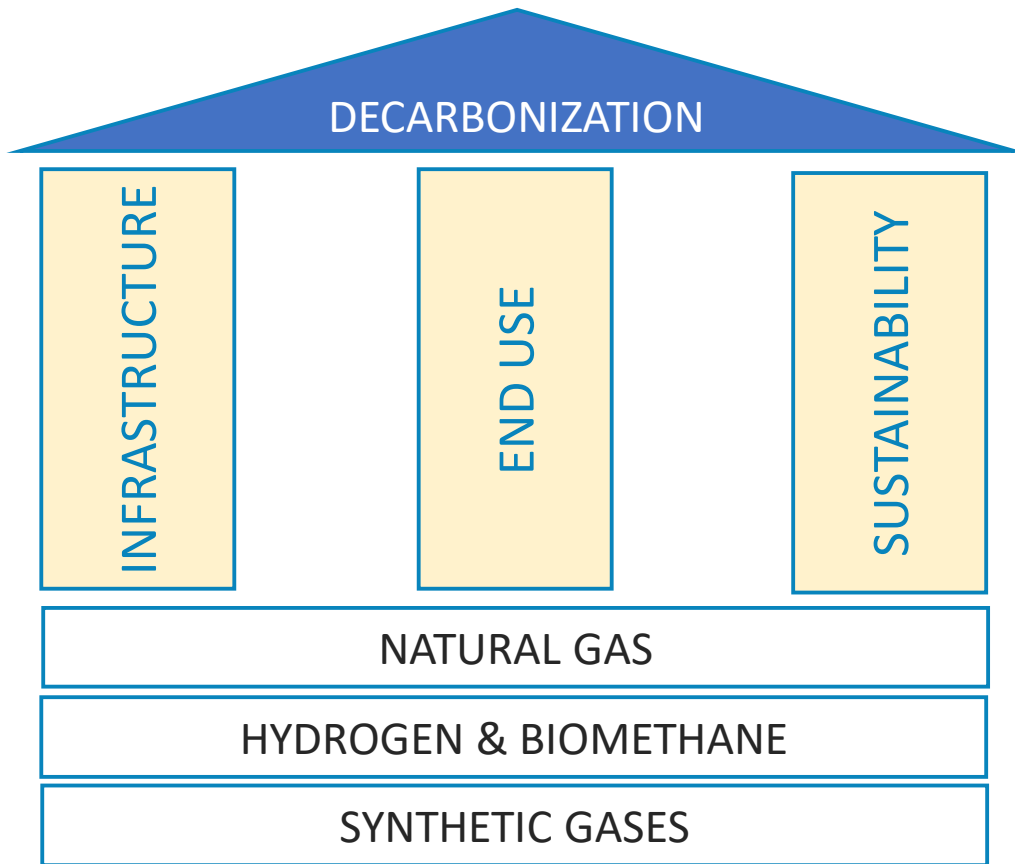
🔥 **Conclusions**

# About MARCOGAZ

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# About MARCOGAZ

MARCOGAZ is the **technical** association of the European gas industry



54 YEARS

28 MEMBERS

20 COUNTRIES



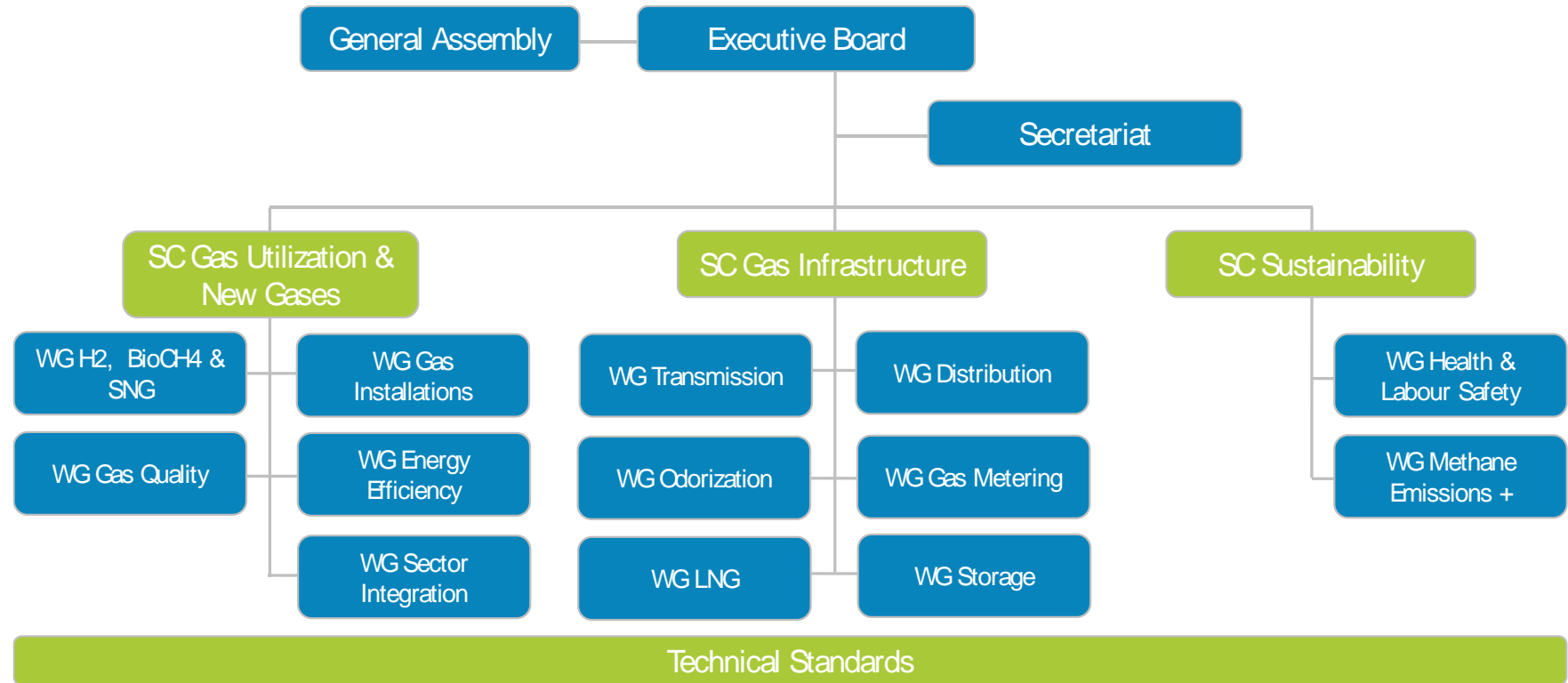
# ORGANISATION

## NEW FOCUS ON NEW GASES

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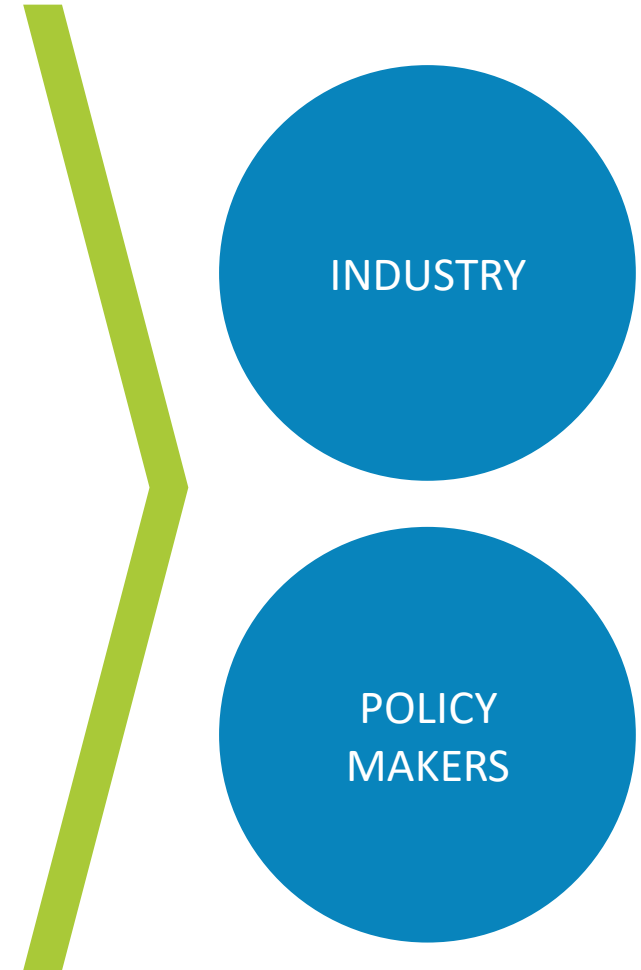
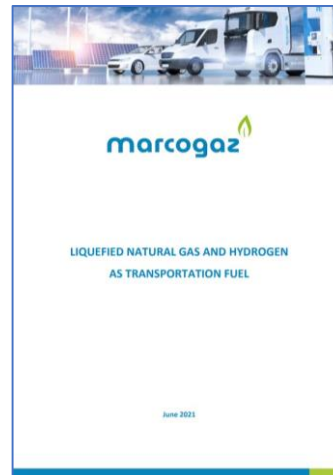
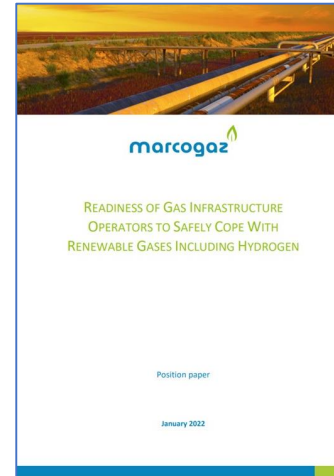
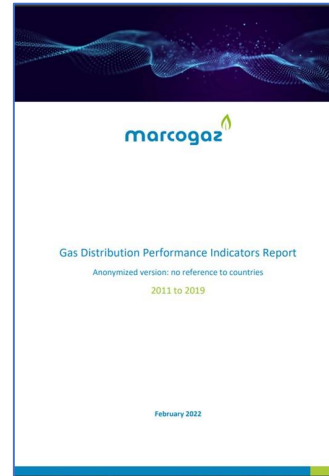
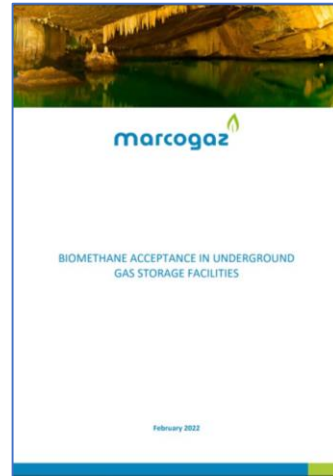
## SECTOR

## INTEGRATION



## OUR WORK

Technical assessment of the midstream & downstream gas systems & gas utilization



# NETWORKS & LIAISONS

COOPERATION WITH  
EU BODIES,  
INTERNATIONAL  
ORGANIZATIONS &  
INDUSTRY  
ASSOCIATIONS IS  
STRONGER THAN  
EVER



International  
Organization for  
Standardization



# The Context of the Times

## REPowerEU

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## REPowerEU

ACCELERATE CLEAN  
ENERGY TRANSITION

DIVERSIFY ENERGY  
SOURCES

ENERGY SAVING

- 🔥 MARCOGAZ fully supports the measures being taken by the European Commission toward the reduction of energy dependency on Russia.
- 🔥 The industry was already mobilised to reach the climate targets and the current political situation in Ukraine added the urgency on top of climate needs.
- 🔥 However, speeding up the energy transition and stimulating massive investment in renewable energy cannot be done over a winter. Effort is necessary to speed up the transition even to ensure energy supply for the period after winter.
- 🔥 Acceleration of the deployment of renewable energy in parallel will require an extra effort for technical adaptation of the existing infrastructure and this fact should be taken into consideration.

## REPowerEU

ACCELERATE CLEAN  
ENERGY TRANSITIONS

DIVERSIFY ENERGY  
SOURCES

ENERGY SAVING

- 🔥 Diversification of energy supply will help reduce imports from Russia, and more importantly, will enhance energy supply risk management.
- 🔥 Diversification should however not be seen only from the alternative energy sources perspective but also diversification of supply routes and technologies:
  - 🔥 Enhance cross-border capacity.
  - 🔥 Diversify the transport of energy. For instance, increase the import of LNG.
  - 🔥 Capitalise on the advantages offered by sector coupling.
- 🔥 The Recovery and Resilience Facility (RRF) is a good approach to support coordinated planning and financing of cross-border and national infrastructure, energy projects and reforms.

## REPowerEU

ACCELERATE CLEAN  
ENERGY TRANSITIONS

DIVERSIFY ENERGY  
SOURCES

ENERGY SAVING

- 🔥 Energy saving is the right way to reduce energy consumption.
- 🔥 The definition of critical demand and the proportionality of critical and non-critical demand in the EU Member States is different. It is important that solidarity among different energy systems in terms of coordination and energy supply is kept in place.
- 🔥 End users, both industrial and domestic do need to get information about energy saving and whether they are subject to curtailment in case of emergency.

# The Context of the Times

## EU GAS & HYDROGEN MARKETS

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# Recast Directive on EU Gas & Hydrogen Markets

- 🔥 The deployment of various renewable and low-carbon types of gases is likely to emerge in parallel and is expected to develop at a different pace across the EU.
- 🔥 The gas industry is mobilised to ensure that technical challenges arising due to the injection of different gases into the existing infrastructure are addressed in a timely manner.
  1. A hydrogen-based infrastructure will progressively complement the network for natural gas.
  2. A gas infrastructure in which fossil gas will progressively be replaced by biomethane and other low carbon gases.
  3. MARCOGAZ suggests that existing transmission systems, distribution systems and storage infrastructure be recognized as Europe's most valuable asset for achieving cost-effective hydrogen infrastructure, by both retrofitting and repurposing these assets.

MARCOGAZ is contributing with various technical assessments, including on infrastructure and safety:



# The Context of the Times

## Methane Emissions Regulation

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# Management of methane emissions

- 🔥 Methane emissions management and reduction is a **top priority** for the European gas industry.
- 🔥 Methane emissions occasioned by the EU gas sector operations account for 0.6 % of the total EU GHG emissions. Nonetheless, the gas industry continues efforts to **reduce** methane emissions.
- 🔥 Complex combinations of measurement, calculations and modelling to **quantify** methane emissions are applied in the management process.
- 🔥 **Verification** and **validation** of methane emissions contribute to increasing transparency and reducing data uncertainty.
- 🔥 The gas industry has developed **reporting** methods to increase transparency and comparability associated with the reported data.



## Actions at international, national and industry levels

- 🔥 Improve **information** by taking actions on **measurement, reporting, and verification**.
- 🔥 Improve **leak detection** and **repair (LDAR)** on natural gas infrastructure, natural gas production, transport or use.
- 🔥 Reduce/eliminate methane emissions by taking actions on **venting** and **flaring** in the energy sector covering the full supply chain.
- 🔥 Invest in **innovative technologies** and **methodologies** to further detect and reduce methane emissions.
- 🔥 **Cooperation:**
  - 🔥 Promote dissemination programmes.
  - 🔥 Support European Union policymakers.
  - 🔥 Provide insight for standardization bodies.
  - 🔥 Exchange views and experiences with international organizations.



# Costs of mitigating methane emissions vs. costs of inaction

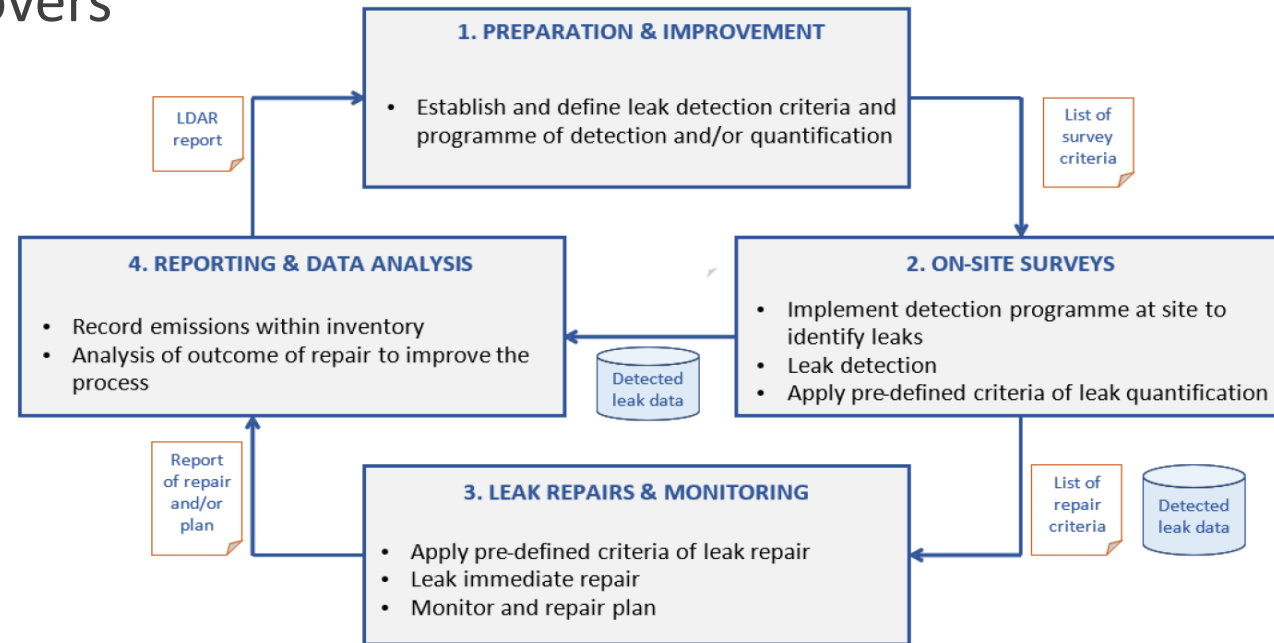
As part of its operations, the gas industry covers the costs for:

- Measurement, reporting and verification
- Leak detection and repair
- Innovation

**Frequency** of measurement, reporting and verification has a cost.

**Costs of inaction are unmeasurable:**

- Reduce the public perception of the value of natural gas as the fuel for the energy transition.
- Negative externality on health, environment and climate.



## Benefits of methane management for the gas sector

- 🔥 Leak detection and repair allow for enhanced operational safety.
- 🔥 Methane data management ensures transparency and comparability.
- 🔥 Minimising CO<sub>2</sub> and methane emissions enhances environmental protection, public health and ecosystem integrity.
- 🔥 The effort to manage methane emissions accelerates a low-carbon economy and provides an incentive for the gas industry to integrate renewable and low-carbon gas technologies including hydrogen and biomethane.

MARCOGAZ, together with other industry associations is working very closely with the European Commission and the European Parliament towards improving the proposal for a Regulation on METHANE EMISSIONS REDUCTION IN THE ENERGY SECTOR.

# Conclusions

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# Development Of Future Energy Policy In The Context Of the Times

- 🔥 REPowerEU is the right approach for the current situation in the EU and it requires solidarity among the members and the energy industry players.
  - 🔥 REPowerEU has many technical challenges, particularly due to the urgency in diversifying energy sources in a very short timeframe to reduce our dependency on Russian energy.
- 🔥 Regulations on **hydrogen** and on **reduction of methane emissions** are essential requirements for energy policy in the context of the times.
  - 🔥 The industry has a long-standing experience in methane emissions management. The input of the industry to the EU bodies is crucial to improve the proposed Regulation.
  - 🔥 Hydrogen, biomethane and other low-carbon gases are new in our gas systems and efforts are being made by the industry to transition towards a decarbonized gas grid, starting from the existing infrastructure.



# marcogaz

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Thank you!

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