



Picture courtesy of Gas Connect Austria

7th meeting of Advisory Panel for Future Gas Grids on 23 June

Key take aways

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Advisory Panel for Future Gas Grids – focus on REPowerEU

Key take aways



— Panel 1: Infrastructure Perspective

— HE: Importance of H2 imports and corridors

- targets welcomed but lacking depth of analysis,
- shift towards H2 imports - importance of corridors,
- repurposing LNG terminals for H2 problematic due to high costs - need for diversified hubs (ammonia, LH2, LOHC, synthetic LNG),
- strategic reserve important for H2 industry to give predictability (in 2030 possible to contribute 5 bn tonnes of H2)

— EHB: Establish hydrogen supply corridors as target for 2030 as enabler for hydrogen market creation

- need a significant renewable power and H2 availability;
- reaching competitiveness requires mass scale developments depending on security of demand, SOS and open access infra;
- need to start with re-purposing first infrastructures now;
- to address the initial risks is key - have volume target but need to define infrastructure target and political mandate - REPowerEU targets to include supply corridors to be operational by 2030 ("front running") and develop supply corridor planning by end 2022

— GIE: regulatory tools to facilitate achievement of REPowerEU targets

- All existing proven unbundling models (OU, ISO, ITO) should be extended to the hydrogen market
- Network planning - No need to create 3rd H2 pillar (ENNOH) besides ENTSG and ENTSO-E
- Abolishment of tariffs at the IPs within the H2 network (i.e. introduction of cross-border inter-HNO compensation mechanisms) might seriously deter investors from taking interest in investments into cross-border hydrogen infrastructure and thus hinder the swift development of hydrogen networks in the EU.
- Regulated Third Party Access (rTPA) for hydrogen storages and choice for H2 terminals

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Panel 2: Biomethane perspective

- **EBA: massive scale-up and urgency is needed for biomethane**
 - **Reg. framework:** 35bcm needs to be anchored in legislation (e.g. REDIII), Need for harmonized enabling framework for grid connection and grid reinforcement; Support to cost-sharing for grid connection; reform on permitting
 - **Cooperation:** Regional assessment of grid development needs (DSO in coordination with TSOs and NRAs)
 - **Planning:** bottom-up approach – 1. Assessment of long-term biomethane potential at regional level (MS see where the easiest connections can be made), 2. Grid reinforcement plans at local level, 3. Investment proposals and implementation
- **Energinet: From local production and consumption to cross-border transport**
 - 35 bcm production target a game changer - From a situation where biomethane has been produced in small scales & consumed locally => to a situation where integration of biomethane becomes national, regional, and EU
 - In DK now supply exceeds demand of gas in distribution network areas - Need to use the transmission system (should not build reverse flows sites everywhere – costly, need to look at it from economic perspective)
 - One of the major barriers is oxygen - Need to find the optimal acceptance limit across EU,
- **GEODE: 5000 biomethane plants needed by 2030 and need to manage the grids with decentralized production**
 - **Infra planning / grid reinforcements (bottom-up process)** - Need for joint network planning: in cooperation with TSOs, management of reverse flows – increased costs and more complex system, need for long-term planning including DSOs in TYNDP
 - **GQ:** with cross-border flows of biomethane need to ensure coherent quality standards between MS, digitalization solutions enable smooth management
 - **Capacity planning and SOS:** Matching of demand and supply paramount, need to know where molecules will be used
 - **Location:** Decision where to put the biomethane plant is where there is biomass, not where the grids is (grid cost is small compared to transport), sound business case for enlarging distribution grids in some areas to make efficient use of biomass for biomethane

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Key take aways



- **Panel 3: Legislator's perspective**

- **Joachim Balke (EC):**

- Ending RU fossil supplies as quickly as possible well before 2027, time is critical
 - Short-term: preparedness for winter (filling of storages), mid-term: decarbonise & accelerate diversification
 - Infrastructure: focus on the infra with highest EU added value going beyond purely national focus
 - Investment needs: elec grids biggest investment needs (29 bn on top of Fitfor55) and H2 for pipes and storage (26-28 bn) and for gas grids (some additional limited investments – Annex 3)
 - Financing options: CEF – available only for PCIs , RRF – proposal to require MS to add specific REPower chapter to National RR Plans (includes gas projects to address specific SOS issues)

- **Petr Binhack (CZ presidency):**

- Priorities: SOS and diversification among top priority, also res and low-carbon acceleration, energy savings, impact on industries and competitiveness
 - Legislative priorities: Gas decarbonisation package – start discussion from scratch and aim for general approach by December, on REPowerEU – ambitious for H2 sources – need to set up reg framework for transport and certification of gases
 - Investments needed are immense – have discussion on RRF and financing, it is complex with different instruments, this instrument should address the targets in REPower, cost in addressing these targets need to be included in RRF and streamline financing into the projects needed



Thank you for your attention

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