

MADRID FORUM

Session 02.B

Initial discussion on
common terminology for gases

Align gas terminology

Gas industry proposal

6/6/2019

PROCESS

Who ?

7 gas industry associations



Why ?

- ✓ Need to align used terminology in view of future debate on energy transition
- ✓ Need to integrate ambitious decarbonization goals in the new gases terminology
- ✓ Need to align different work streams in view of developing new gases markets
- ✓ Need to agree on interpretations of RED II and identify missing elements

When ?

Initiative started in October 2018

First proposal communicated to DG ENER on 17 December 2018

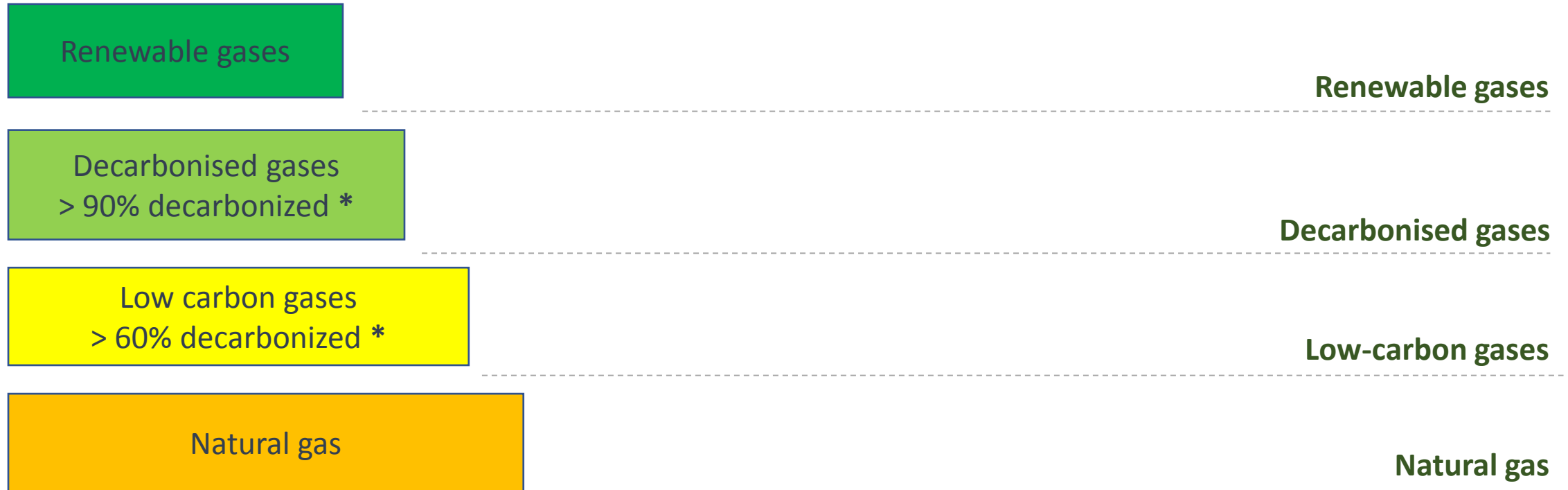
Second proposal for Madrid Forum sent to DG ENER on 9 April 2019

Roundtable with stakeholders on 8 May 2019.

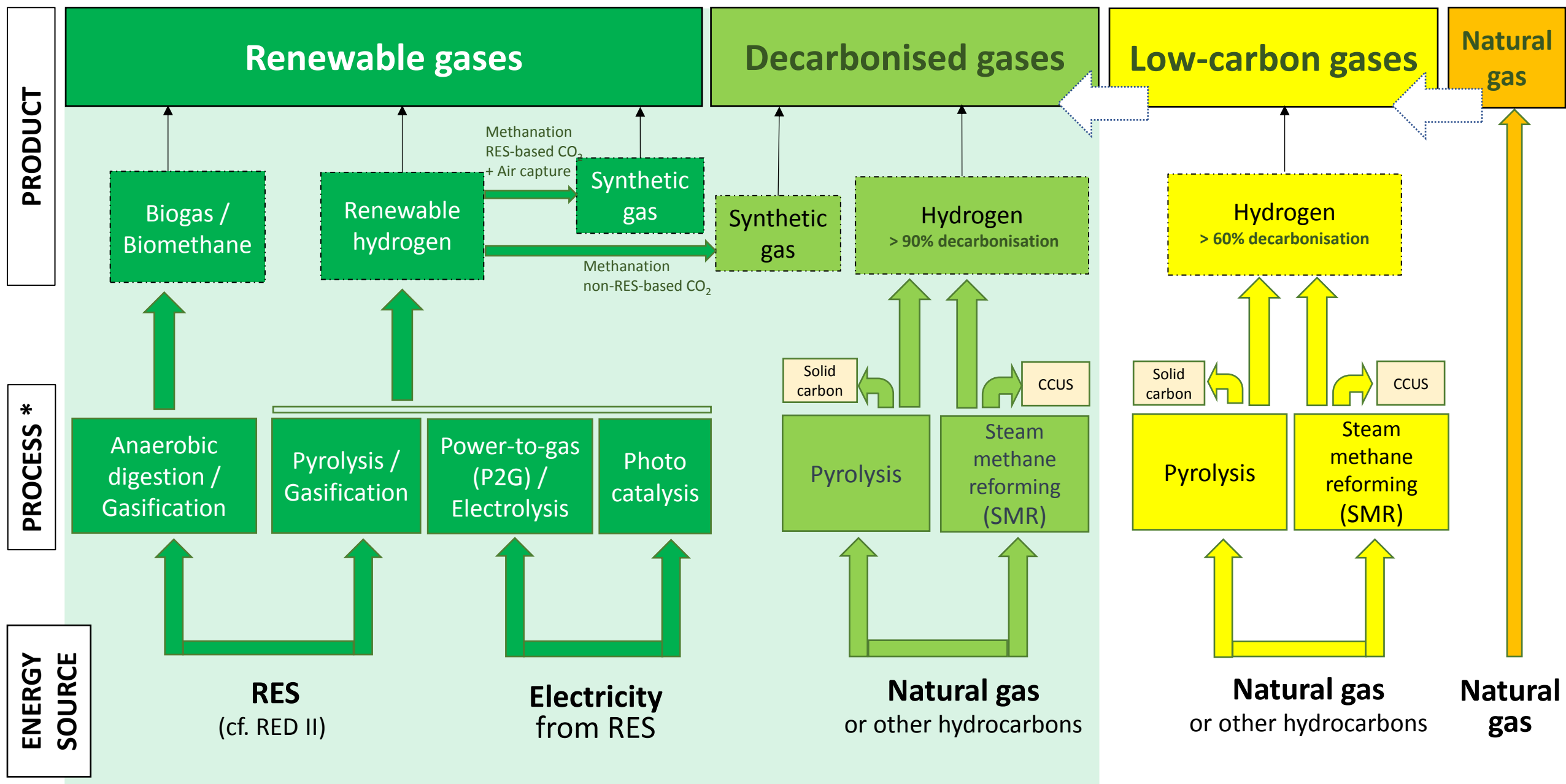
Gas terminology alignment proposal

- In support of EU **commitments** to a Paris Agreement compatible energy system in 2050
- **Establish a starting point** → Industry proposal, as start of an open exchange with all stakeholders, and for further expert discussion
- **Take stock and visualise** multiple potential technologies and gas categories based on renewable character and on GHG reduction potential (expressed in % of CO₂ reduction compared to conventional technologies)
- **Agree on common language** on how Renewable and Decarbonized Gases
 - are driving the decarbonization of the gas sector and
 - contribute to a cost-effective pathway to deliver decarbonization of energy systems.

Gas terminology alignment proposal



* GHG reduction potential, expressed in % of CO₂ reduction



* **Disclaimer:** This overview is based on existing processes and known technologies and evidently does not preclude new technological developments.

First Roundtable 28/5

Stakeholder contributions

	ASSOCIATION / COMPANY	PRESENT	Questionnaire REPLY
TECHNICAL APPLICATIONS	CEN-CENELEC	YES	YES
	EHI	YES	YES
	EU Turbines	YES	YES
	MARCOGAZ	YES	
ENVIRONMENT - NGOs	CAN - Climate Action Network	YES	YES
	E3G	YES	YES
	European Climate Foundation	YES	
	Friends of the Earth Europe		
CUSTOMERS & MARKETS	BEUC	excused	(YES)
	CEFIC	excused	YES
	Certifhy	excused	YES
	EFET	YES	(YES)
	ERGAR	excused	YES
	IFIEC	YES	(YES)
SOURCES & PROCESSES	Bellona	YES	YES
	CO2 Value Europe	YES	YES
	IOGP	excused	
EC / CEER	DG ENER - Unit C1 - Renewables and CCS policy	YES	
	DG ENER - Unit C2 - Wholesale markets; electricity and gas	YES	
	CEER	excused	(YES)

First Roundtable results

Do you agree that a common terminology is useful ?

- **Useful for future debates on the role of gases in the energy transition ?**

YES

Positive reaction from every respondent.

WHY ? “common understanding of same set of categories”, “efficient discussions to achieve consensus”, “customer trust”, “investor trust”, “transparency regarding environmental impact”, “need for sound legal basis for decarbonized and low-carbon gases”, “clear and simple regulation”.

- **Useful for the integration of different types of gases in national, regional and EU markets ?**

YES

Positive reaction from almost all respondents.

WHY ? “EU market harmonisation”, “avoid local definitions for local markets”, “for policy development on targets, certificates and GOs”, “no blending without identifying components”, “identification of gases compatible with decarbonization targets”, “harmonized cross-border trade and infrastructure planning”.

First Roundtable results

Requested changes → Clarifications

- **“Precise the objectives”**
 - Initiative aims to: streamline language used / integrate commitment to decarbonize
 - Initiative does not aim to: define processes / determine certificate & GO regimes / set timing
- **“Definition and details of the gas categories”**
 - “> 60 %” reduction of the current CO₂ footprint of 91g/MJ_{H₂}, which corresponds to current Best Available Techniques – economically feasible (cf. CertifHy results)
 - “> 90 %” reduction of the current CO₂ footprint of 91g/MJ_{H₂}, which corresponds to future highly ambitious level - technologically feasible
 - Certification of production processes and achieved CO₂ reduction
- **“Restriction on technologies used ?”**
 - Technologies presented = based on current knowledge → Disclaimer !
 - Technical questions on the processes level are not relevant for the grid side
- **“Process ?”**
 - General appreciation but mixed feedback on initiative *by industry* → EC guidance ? JRC support ?

First Roundtable results

Are you interested to stay involved ?

**Are you interested to stay involved
in the exchange of views that was launched today ?**

YES

Positive reaction from all respondents.

NEXT STEPS

- Presentation at Madrid Forum June 2019 :
proposal + lessons learned from first Roundtable
- Next Roundtable(s) in preparation of Madrid Forum October 2019 ?
- Continuation of the process according to the Madrid Forum conclusions and with the engagement of certification authorities, NGO community and other interested experts and stakeholders.