

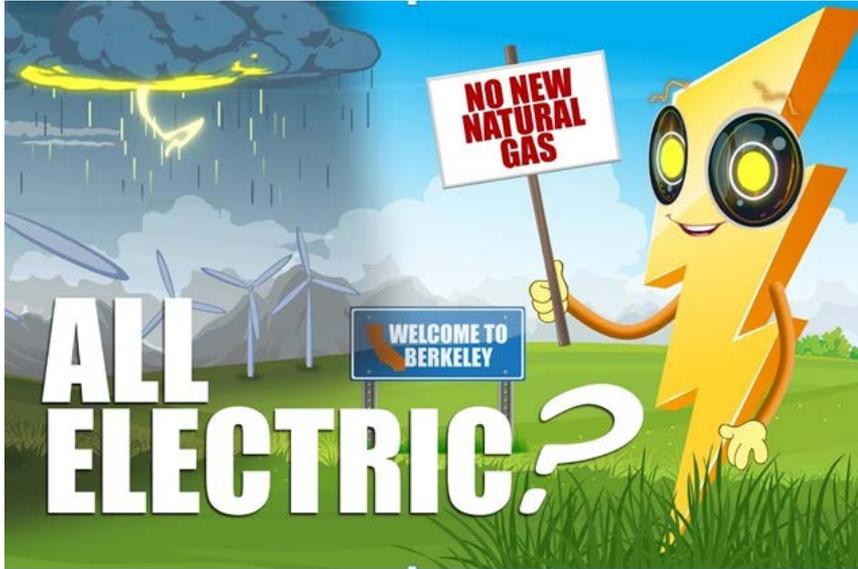
A Level playing field for gas?  
Existing regulatory challenges

IBC Working Committee Energy - Düsseldorf

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These days there seems to be unanimous believe in and support for a future role of gas...

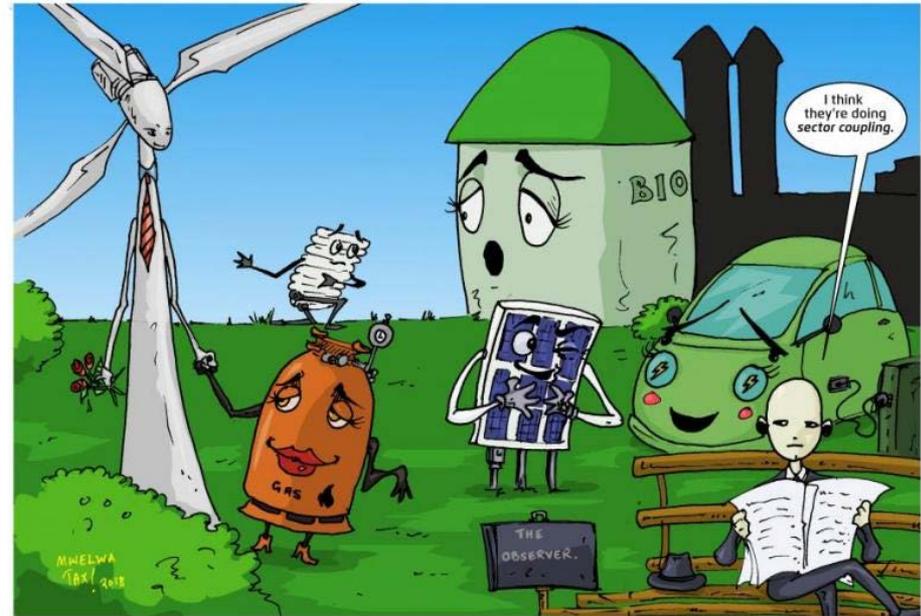


- The „Gasdialog 2030“ in Germany ended with promising results and especially the German minister of economic affairs now supports gas strongly
- The European Commission, namely DG ENER sees a role for decarbonized gases

... but is such high level support enough?

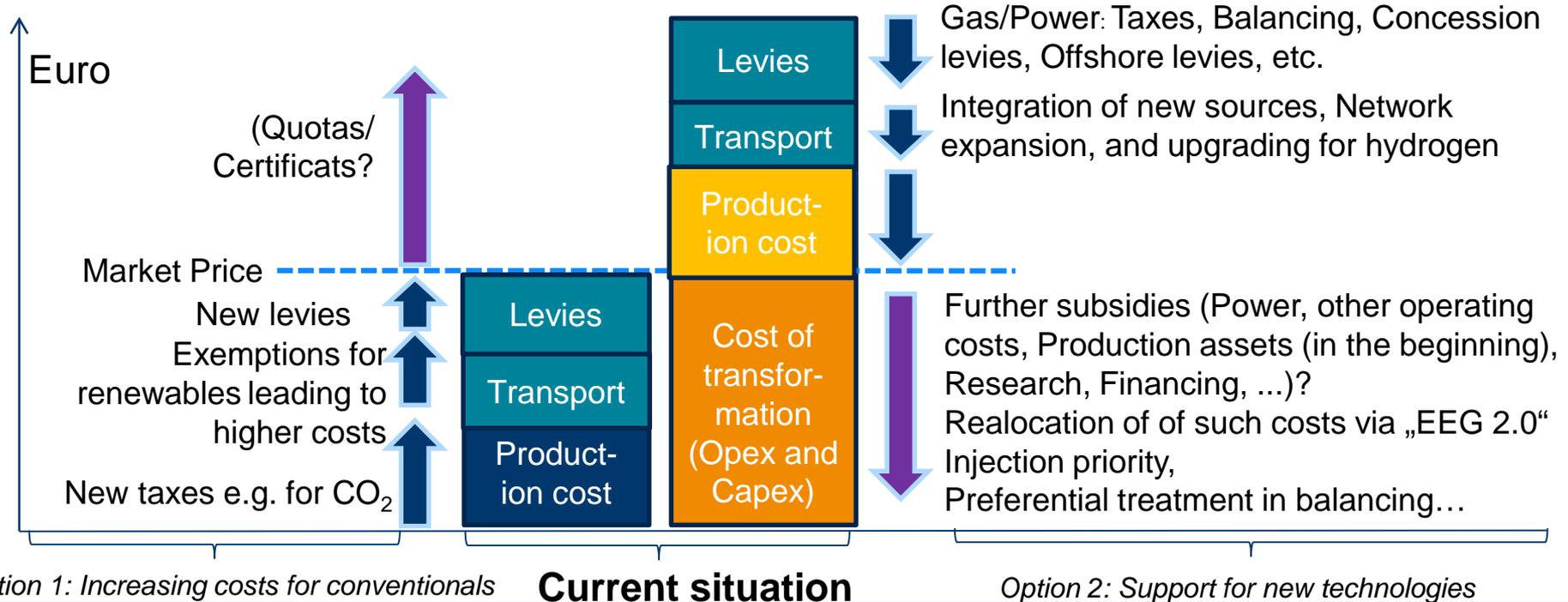
# The 'Sector Coupling' debate reveals the discussion regarding technological neutrality and...

- Find or create new uses for 'surplus' renewable power by making these technologies profitable
- Sector Coupling and Power to X (Gas, Heat, Liquids etc.) are often used as synonyms
- Regulated network operators strive to do 'Power to gas' under their revenue regulated business model



...level playing field for gas

# Why could the Sector Coupling debate matter to gas if it is only about power ?



# Examples of already existing discrimination for natural gas or Blue Hydrogen in Germany

- Current legislation in Germany exempts Biomethane and hydrogen (if made via electrolysis) from paying entry transportation charges
  - discrimination of nat. gas already in place!
- Today gas customers cross-subsidize electricity customers as gas tariff payments from gas fired power plants do not sufficiently reflect network costs to build and maintain infrastructure
  - discrimination of nat. gas already in place!



# The "Renewable Energy Directive 2" is missing out on Blue Hydrogen - To be continued?

- RED II aims to support renewable energy technologies by setting up quotas (e.g. minimum 14% sustainable fuels until 2030)
- At the bottom of RED II is the idea of establishing a (potentially europeanwide) certificate trading scheme
- So far missing: a conversion mechanism, allowing to compare CO2 footprints
- RED II leaves it to the discretion of national governments whether fossil fuels (e.g. Blue Hydrogen) can participate in all of the above



# Peak electricity demand heavily underestimated? Network operators in the TYNDP...

Figure 5: Increase in numbers of electric vehicles, electric heat pumps and hybrid heat pumps by scenario.  
\*EUACO heat pump numbers have been derived from consumption data and may not represent the same numbers in that scenario.

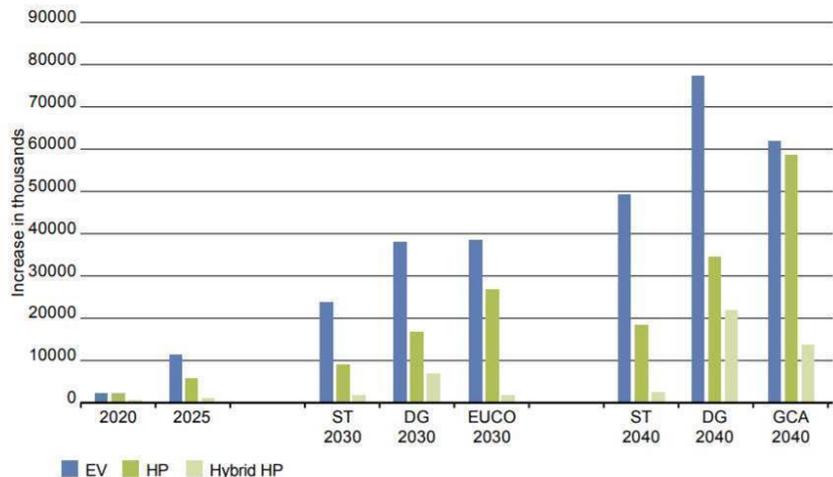
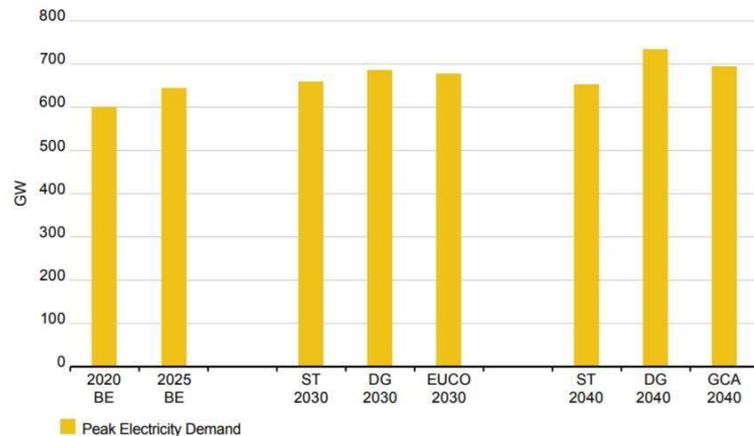


Figure 4B: Peak electricity annual demand by scenario



Source: Entsos TYNDP 2018 Scenario Report, page 19

...not assessing "Dunkelflaute" correctly?

- High level political support alone will not suffice to achieve fair market rules for gas
  - There are already existing discriminating facts against gas in existing regulation
  - Network operators are not in all aspects allies for a competitive gas market and Blue Hydrogen
- Together the gas industry should proactively work on changing the regulatory framework for gas and power

# Questions - Discussion