

Flash note Meeting DJJ – CEOs from GD4S (European gas distribution operators association) on 30/01/2020

Participants:

DG ENER:

Ditte JUUL-JØRGENSEN

GD4S:

(Italgas)

(Gas Networks Ireland)

(Distrigaz Sud)

(Nedgia)

(GRDF)

(Gás Natural Distribuição)

(GD4S Secretariat)

Main topics discussed and conclusions:

- With respect to the future role of gas, GD4S considers their activity as transporting molecules of methane, independent of their origin, and therefore see themselves as not biased towards natural gas. They highlighted that they are already blending biomethane in the grid.
- In the mobility sector, they consider switching from other fuels to CNG as an important contribution to reducing pollution in urban areas, and to decarbonisation generally.
- The members of GD4S presented their individual activities in developing capabilities to transport biomethane and hydrogen. GD4S stressed the value of the existing grid in providing support to renewables through storage capacity.
- For biomethane, networks are considered ready, and as a form of renewable gas injected in the grid, its role will dominate in the foreseeable future. GRDF claimed that getting biomethane to the grid is not a major issue, even if most plants are located in rural areas. The biggest issue and obstacle is the cost of biomethane compared to natural gas.
- GRDF highlighted that last year the increase in biomethane production outweighed the additional needs for gas for heating from new build. Italgas spoke of the importance of biomethane in Italy to contribute towards dealing with the problem of waste.
- For hydrogen, GD4S members see their often relatively newly built/refurbished Polyethylene pipelines as technically well suited. The representatives of GRDF, Gás Natural Distribuição, and Italgas outlined visions to operate with blends of 10-20% without major investment needs, as well as current pilot projects. Italgas pointed to a successful current pilot project involving point-to-point delivery of renewable hydrogen blends of 10% to an industrial consumer. Their next step is to test distribution of such blends in the grid.
- GRDF highlighted that in the context of sector integration, GD4S considers hybrid solutions to be a key way forward, such as hybrid heat pumps, which combine air-to-water heat pump technology with gas condensing boilers.
- GD4S representatives considered any push for green hydrogen demand only to be relevant once sufficient and economical supply of hydrogen is available (likely

post 2030), but that infrastructure and end-user appliance readiness already needs to be ensured now. They also highlighted a likely role for hydrogen in the interim period.

- GD4S sees digitalization of the grid as a crucial condition for accepting biomethane and hydrogen into the network. This includes smart meters and appliances to monitor the network and for leakage detection.
- The representative of Distrigaz Sud stressed the differences in Member States' starting positions regarding decarbonisation and called for attention to a fair and social transition, with gas offering secure and affordable alternatives for households currently relying on more polluting fuels. The relevance of Black Sea natural gas reserves for security of supply was also raised.
- With regard to the regulatory framework, GD4s argued for sandboxes and system operator involvement in pilot projects for hydrogen and asked for better clarity on timelines for Commission proposals and possible interim measures for biomethane injection criteria and requirements.

Follow up (if required):

Information exchange on working level