

Cabinet of Commissioner Kadri SIMSON - Minutes of Meeting

MEETING CONCLUSIONS

Title	Meeting with GIE on Security of Supply and the Hydrogen and Gas markets and decarbonisation package
Date	01-02-2022
Participants	<p>Ext : [REDACTED], GIE President [REDACTED], GIE Secretary General [REDACTED], GSE President, CEO Uniper [REDACTED], GLE President, COO Fluxys</p> <p>COM: Commissioner Kadri Simson [REDACTED] (CAB) [REDACTED] (ENER C2) [REDACTED] (ENER C2)</p>
	Ares initial request : (2021)7290603 – (2022)603601
	Disclosure authorization : <input checked="" type="checkbox"/> YES - <input type="checkbox"/> NO - <input type="checkbox"/> Partial (pls highlight unauthorized parts)
Issues raised & follow-up	<ul style="list-style-type: none"> - Crisis Energy prices and role LNG/storage <ul style="list-style-type: none"> ○ Commissioner Simson inquired on whether GIE could share data on spare capacity LNG terminals? Important to know where ships should be send to. Answer: Transparency on free capacities can/will be shared, although GIE does not dispose of information commercial portfolio LNG terminal operators. AGSI transparency platform on storage could serve as useful tool in future. ○ Question Commissioner: what are your expectation on gas prices? Answer: Difficult to predict commercial market. Geo-political dimension is beyond model. Overall storage level low, but if LNG and n-gas supply from Russia would continue there will be readiness to supply all customers. Cold winter could lead to extremely low storage levels at the end of March. - Role LNG/Storage <ul style="list-style-type: none"> ○ Europe blessed with huge storage options: can serve as a buffer for volatility in gas and electricity prices. ○ Value of services that storage can provide should be better valued by the market. Long term policies are needed. ○ LNG terminals should not be considered as niche part of energy system but a key asset. Reflected by fact that import capacity LNG terminals is roughly 60% of n-gas demand in Europe. Way to diversify n-gas import ○ LNG can have an important role in the immediate reduction of CO2 emissions from freight transport. - Hydrogen and gas markets decarbonisation package: <ul style="list-style-type: none"> ○ GIE members are technically ready to play their role in decarbonisation of gas system. The expected role of gaseous energy carriers to reach climate neutrality in 2050 is increasing ○ GIE can share on the ground experience on regulatory needs (close to consumers and decarbonisation projects). Projects have different maturity levels and accordingly regulatory flexibility towards 2040 would be needed. Proposal is somewhat academic on certain points. Gas infrastructure operators have important role to play in creating network for decarbonized gases. Existing and proven unbundling models should be extended to hydrogen market. Transparent mutualisation of H2 and CH4 costs should be allowed. ○ Agreed to have a more technical discussion on package in due time.

