DG ENERGY CONCLUSIONS PAPER ON GAS QUALITY STANDARDIZATION

Following the Workshop on 1 July

Prepared for the CEN public inquiry of Draft Standard prEN 16726

In 2007, the Commission tasked CEN to develop a European standard for H-gas quality. The standard to be developed was to be "the widest possible at reasonable cost". DG Energy has last presented a non-paper to the XXI. Madrid Forum in March 2012 in the middle of the standardization process. Important work has continued since – including in the Gas Quality Implementation Pilot – and the draft standard is now under public inquiry until 8 October 2014. In the context of that consultation DG Energy has organized a public workshop on gas quality on 1 July attended by nearly 150 experts from all stakeholder groups and all EU regions. Whilst there was more convergence of views than previously, key open issues related in particular to the Wobbe Index and the sulphur parameters of the draft standard prEN 16726 remained.

On the basis of the discussions during the Workshop DG Energy remains convinced that there is a role for a European standard for high-calorific gas. A good standard provides transparency and trust to all participants that compliant gas can be transported and burned anywhere in the EU and that compliant appliances can be used throughout the EU.

It also clearly sets out the responsibilities between market players: TSOs are generally responsible for the gas in their system as long as gas injected into the system is on-spec. Off-spec gas has to be treated or its flow interrupted unless the TSO is able to mingle it as part of its standard operation. Customers have the right to receive gas of a quality as specified by the standard. They may also request and receive gas of different composition but any corresponding treatment-related costs are to be borne by them.

In addition, an EU standard will also spur technological development of appliance and sensor manufacturers to further develop the internal market on the appliance side as well and in doing so innovatively address issues relating to efficient operation and emissions.

In developing a standard the bottom line for DG Energy has consistently been that:

- the safe operation of gas appliances is guaranteed;

- the EU should have at its disposal the widest possible array of supply sources to successfully carry out its gas source diversification strategy;
- different gas qualities and standards should not impact cross-border flows and the functioning of the internal market.

As the Workshop demonstrated, these objectives generally pit many customers and appliance manufacturers in the corner of advocating a narrow Wobbe index or narrow variation band as well as low sulphur content; on the other hand suppliers and traders in particular advocate more flexibility in the gas quality.

Importantly, it was also noted that the frequent differences in *de iure* national gas quality specifications and narrower *de facto* regional "ranges". The tension between these – given gas qualities changing more and more – also needs to be addressed.

In achieving these objectives and in view of the different positions of stakeholders as expressed during the Workshop, the following considerations should be taken into account during the standardization process and its subsequent implementation:

- a Wobbe index band should be considered that is narrower than the 46.44 MJ/m3 – 54.00 MJ/m3 range currently set out in the draft standard;
- it should be considered to add a parameter to set a band for maximum gas quality variation over a certain time period;
- the Network Code on Interoperability and data exchange rules currently in comitology should include an information provision obligation on gas quality variations by the TSO towards (large) customers;
- limiting the application of the standard to interconnection points to reach agreement may be an appropriate (interim) solution but the effect this will have on the gas appliance sector development, harmonization and innovation needs to be taken into account;
- CEN should consider a proportionate implementation lead time;
- once a standard is agreed the DG Energy is ready to consider a proposal making it binding via an amendment of the Network Code on Interoperability and data exchange rules.