

'Unofficial' Notes of ENTSOG Gas Quality Workshop, Cologne, 28th April 2016

(prepared by Phil Hobbins, National Grid NTS)

Attendance

80 people attended, representatives from GB:

Claire McLoughlin (DECC)
Angus Paxton (Poyry)
Marshall Hall (OGUK)
Doug Wood (EFET)
Alex Barnes (Gazprom Marketing and Trading)
Andrew Pearce (BP)
Phil Hobbins (NG NTS)

Summary

There was little support for making the CEN standard binding and the Commission indicated they were open to the possibility of not doing so, but would need ENTSOG's Impact Assessment to justify this. ENTSOG will launch an on-line consultation questionnaire shortly which will open on 4th May and close on 15th July 2016, probably published at the following link:

<http://www.entsog.eu/publications/interoperability>

Commission (Zsuzsanna Szeles) presented. EC wants to remove barriers to a single market. Want to see "how and if" it is necessary to implement an amendment to INT NC and to see the costs and benefits at a national level and EU level. As a minimum they want to remove cross border barriers but could go further to remove barriers at an appliance level to improve competition in this market. The "possible inclusion" of the CEN standard in the INT NC is foreseen to have legal effect Q3-Q4 2019.

Question whether DSOs would be captured. Reply from Commission that EU NCs are applicable at transmission level, mostly at IPs, although some provisions can extend to all of transmission networks. Generally, the Commission don't regulate for DSOs but they can be impacted indirectly so they want to understand any such impacts and costs as part of this process.

CEN presented (Uwe Klaas and Hiltrud Schulken (TC 234)). The CEN standard was written to apply everywhere in the gas chain. CEN standards are voluntary for member states to adopt but 'A Deviations' can be applied for where a member state cannot apply it completely e.g. if the national specification, say, for sulphur is stricter than the CEN standard or more generally if say a product or service in a CEN standard is banned in a MS. Spent a lot of time explaining the planned CEN process to harmonise WI. CEN will circulate a forward plan on 10th May about this work.

There was a debate about reference conditions because CEN works to 15/15 and INT NC to 0/25. Noted that the CEN standard quotes the relevant values in both sets, Phil thought that there is no conflict because reference conditions obligations in the INT NC are mandatory only for capacity booking and nominations processes at IPs, not for physical measurements. Phil asked why are A Deviations needed if CEN standards aren't legally binding? Hiltrud replied that it's a way of being clear when a CEN standard is published by the national standardisation bodies (BSI for the UK). Marshall asked if a MS has storage sites then would it be considered a 'sensitive' grid (i.e. CO2 and O2 relaxations from 2.5% and 10ppm could not apply). CEN replied "yes in principle".

ENTSOG (Antonio Gomez Bruque) presented. The current process sets no precedent for incorporation of Wobbe Index in the future. (i.e. there would have to be a separate process to

consider whether / how a future harmonised WI range could be made binding). Clear that ENTSG is open to consider any and all implementation options. Explained the policy issues that ENTSG had identified and the approach to the public consultation. Showed an advanced draft of the on-line questionnaire that stakeholders would shortly be invited to complete. Alex asked will ENTSG be looking at benefits as well as costs? Reply was yes.

Dirk Jan Meuzelaar (CEFIC, IFIEC) presented. Key messages:

- "Gas quality spec should be user led, not supplier led or politically led".
- Impact for large end users must address safety, environmental obligations and efficiency
- End users should not be exposed to the costs of wider spec gas.

Franz Beneke - European Committee of Industrial Furnace and Heating Equipment Associations (CECOF) presented. Told us a lot about furnaces. Stressed importance of a constant CV, not able to deal with fluctuations. He designs the furnaces based on a gas quality assumption. Gas quality variation has an adverse effect on quality of ceramics produced in particular. In the future he is aiming to find an automated solution to deal with GQ variation (idea is GQ measurement sensor feeding into a control system between the transmission off take point and point of use) but this is 10 years away from becoming a reality. WI is less of a concern, CV very much is and also need to know CO₂, sulphur and composition. It's a problem for them that no combustion parameter is in the CEN standard. (Methane Number is only relevant for gas engines, not furnaces). Most furnace manufacturers have no ability to react to gas quality changes.

Eurogas (wholesalers, retailers, DSOs) - Noel Regan presented. Key messages:

- What's the problem here and how will application of the CEN standard solve it?
- If there are only costs and no benefits then we shouldn't proceed with this process.
- Any implementation should be future proof.
- One more workshop in September is unlikely to be enough. Better to have more debate in the early days of this process to avoid wrangling towards then end.
- ENTSG says it is searching for an 'optimal scenario' but this will be different for different stakeholders - people will vote for what suits them.
- Interested to understand how any future changes to the CEN standard will be managed with regard to the INT NC.

Jacob Klimstra (Consultant for EUROMOT, gas engine manufacturers) presented. Argued that a relative density range of 0.555 to 0.7 implies a Wobbe Index range of 47 - 55 MJ/m³, (15/15 and assuming 4% CO₂). So even though we all think WI is not in this particular debate, scientifically speaking, actually it is. And gas above 54 MJ/m³ has a methane number less than 65 so how does that work? Recommended that the process is stopped until the CEN standard is sorted out and finalised.

GIE - Carmen Rodriguez presented. Key message was harmonisation is not necessarily the most efficient way of removing barriers.

Responding to a question, Doug said EFET has in general not observed that gas quality is a barrier to trade. An exception was at Bacton a few years ago when it appeared that Belgian gas was drifting outside the GSMR range but this was managed effectively locally. GQ is changing but upstream parties have priced the required processing costs into their infrastructure investments, eg LNG. Concern that a Regulation may create problems that don't currently exist i.e. if gas that is accepted now has to be rejected, this could adversely impact liquidity at trading hubs and impact on the definition of capacity products. Jef (ENTSG) responded that if TSOs don't or can't solve locally, then there is a problem.

Kees Bowens – IOGP presented.

- Not clear that an amendment to INT NC is necessary.
- GQ data is lacking - seen in previous studies which makes a robust analysis difficult.
- If applied today, would cut out approx 20% of UK gas supply, therefore the standard should not be used to reject gas at entry points.
- Difficult to agree on a common spec if there is no EU level agreement on who is responsible for gas quality.
- A Deviations fit with non-binding nature of CEN standards not binding regulations.
- INT NC should not be about setting quality parameters for gas as a commodity, rather a basis for cooperation between TSOs. The Commission's request of ENTSOG therefore goes beyond the scope of Regulation 715/2009.
- INT NC already provides solutions to identified problems. There is no evidence that these processes are deficient so what is the added value of the CEN standard?
- However IOGP would be OK if CEN standard used as a 'default' rule at IPs.
- GQ could be a feature in new SoS Regulation.

Angus noted that EU law is superior to national law (addressing CEN's concerns about the possible conflict between a binding standard and national law: the national law becomes irrelevant) and the technicality that the EC letter to ENTSOG made reference to the 2015 version of the standard which has now been modified after the Danish A Deviation so will some A Deviations be treated differently to others?

Marshall commended ENTSOG on the comprehensive questionnaire it had prepared for the stakeholder consultation, though noted that not all stakeholders may be capable of completing all questions. Asked ENTSOG about what they mean by "barriers to trade" - should relate to all imports to EU as well as IPs. ENTSOG agreed to clarify the wording in the questionnaire.

An Austrian storage operator said that he would have to install €50m worth of drying equipment to meet the water dew temperature spec in the CEN standard. He also noted that he'd only heard one comment all day about a benefit of implementing the CEN standard and even that was not quantified.