

27th MEETING OF THE EUROPEAN GAS REGULATION FORUM

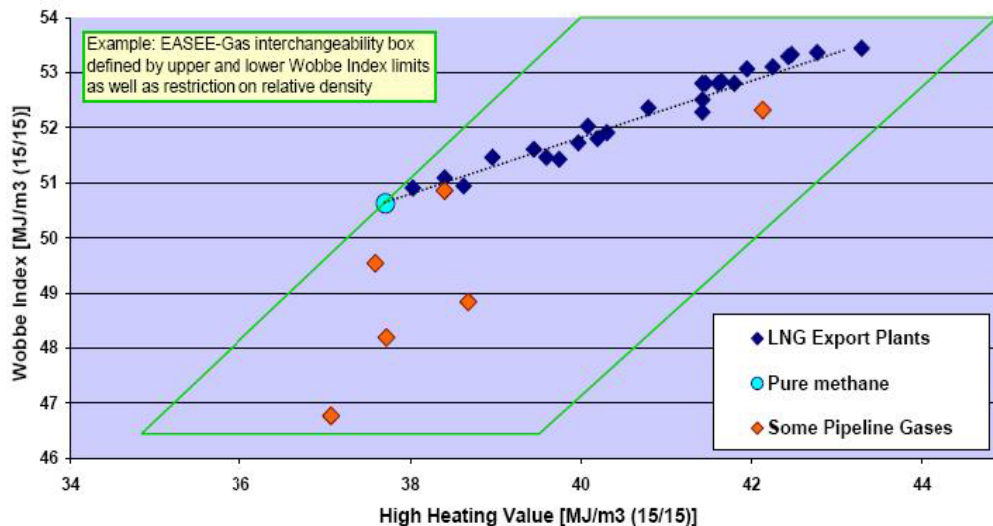
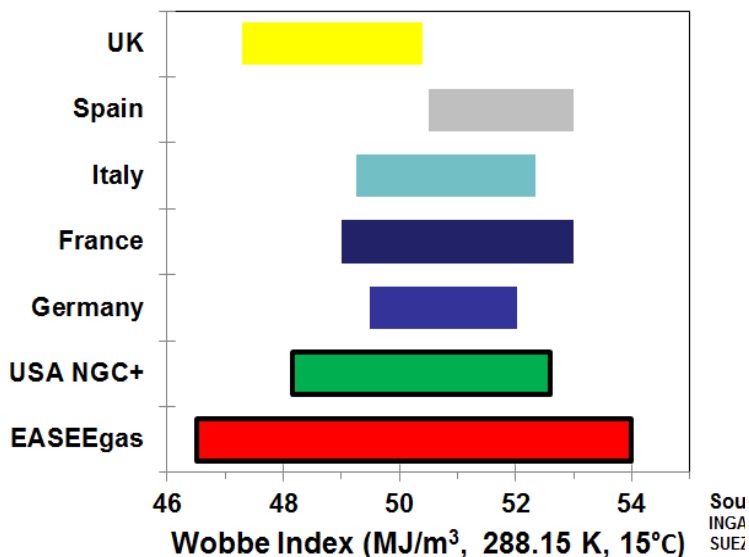
02. Gas quality harmonisation
CEFIC-IFIEC position
Standardization of gas quality

Dirk Jan Meuzelaar – chair of the Cefic IT Market Liberalisation

CEN/TC234/WG11 was not able to define a commonly accepted Wobbe Index range.

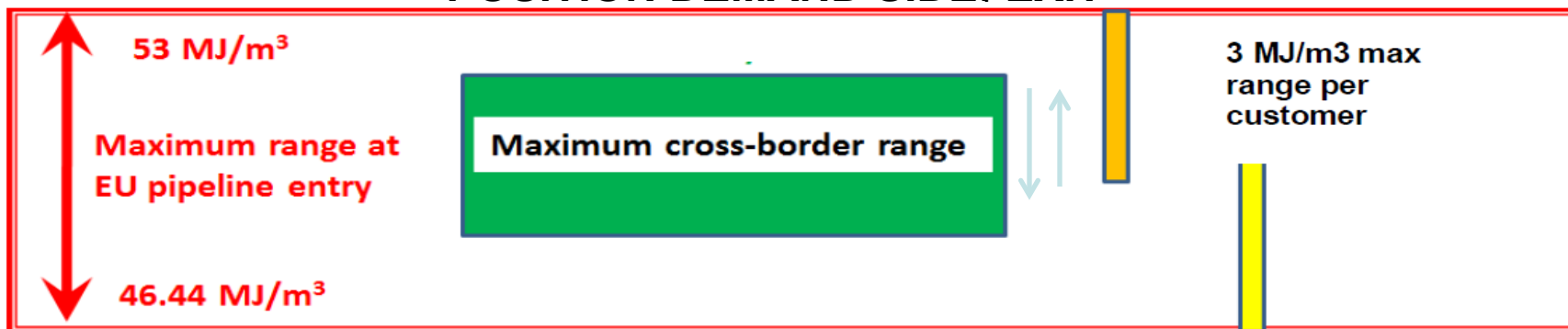
POSITION SUPPLY SIDE; ENTRY

Actual pipeline values + proposed rules



Graph 1: EASEE-gas Interchangeability Box, LNG and pipeline gas qualities⁴

POSITION DEMAND SIDE: EXIT



IFIEC-CEFIC support CEN/TC234/WG11 conclusion that further analyses are required prior to WI value setting.

All stakeholders of CEN TC234 agreed that on the one hand.....

- For safety and reliability of gas usage applications it is not the (regional) level of the WI, but the variation of the WI at the users location that is decisive

- no extensive and traceable feedback on the impact of variations on installed applications are available

.....and on the other hand

- A too narrow Wobbe Index range would exclude a part of the current LNG supplies (high-end WI-range) and biomethane injection (low-end WI-range)

We ask for:

Re-investigation WI-bandwidths on cross border/entry (M/400) AND appliances/exit; with focus on responsibility and risks; taken into account the most efficient costs on macro level; with respect for the causer pay principle.

How can we solve the current stalemate?

Lessons learned from some major mistakes in the past

- Mandate M/400 exclusive focused on cross border (entry);
- Exit users are legal exposed to broadest European WI-bandwidth:
 - Risks and responsibility are automatically transferred to exit/end-users;
- Risk eligible end-users are underestimated:
 - Effects on volatility and composition;
- End-users are not yet informed nor exposed to gas quality changes:
 - Gas quality differences are substantial even in a single MSs;
 - In practice TSO's are still managing a small bandwidth for its end-users;
 - All H-gas users (80) in the Netherlands are informed about changes:
 - H-gas users were forced to notify that they can accept all gasses;
- Solution and measures are primarily focused on adjustment and investments of appliances.

Dispute between producers/suppliers/shippers/TSOs and end-users about proper measures, responsibilities and risks.

Consumers had no vote in EASEE-gas and are not a member in Marcogaz.

Gas quality should be user led; also for technical solutions and measures relating to gas quality harmonisation

- Marcogaz send a proposal to the Commission for a new “fact-based technical analysis”. Their first priority is to investigate the definition of what is “safe” for appliances from a technical perspective;
 - IFIEC-CEFIC are willing to cooperate with the study of Marcogaz, however we prefer an independent consultant to prevent repetition of the current discussions with Marcogaz;
 - For industrial appliances, the plant manager – having the knowledge, experience and responsibility - has to decide what is safe for the appliances; not the ‘gas industry’!
 - Many studies issued by industrial end users and OEMs are already available;
 - Technical analyses and solutions for situations without any experience will not provide 100% guarantee and ‘feed black swans’.

(Marcogaz) study is focused on end of pipe measures and are only part of the solution!

Managing risks always starts at the source

- We prefer measures and solutions mitigating the risks at the source:
 - Decreasing the WI range will lead to lower volatility and lower risks:
 - exposure in recent >50 years in most of the countries is max 3 MJ/m³;
 - We recommend an independent study about measures and costs to treat the gas before entering the grid;
- Decrease the upper level of the Wobbe Index range to < 53 MJ/m³ (99% of European gas) will also contribute to call of the industrial users to increase the Methane number from 65 to 70.

For imports a WI range between 46.44 -53 MJ/m³ (15;15) is acceptable, on the condition that end-users are not exposed to a WI range that exceed a bandwidth of 3 MJ/m³. Manufacturers, installers and industrial users can then adjust their gas-using devices and processes to the gas quality in that defined area (range should be fixed for at least 10-20 years)