

## 2<sup>nd</sup> External Contact platform Meeting

### ENTSOG's Vision and G2020

ENTSOG Market team



# Where are we now?



# Network Code Development Process

## Phases of Network Code Development

Network Codes

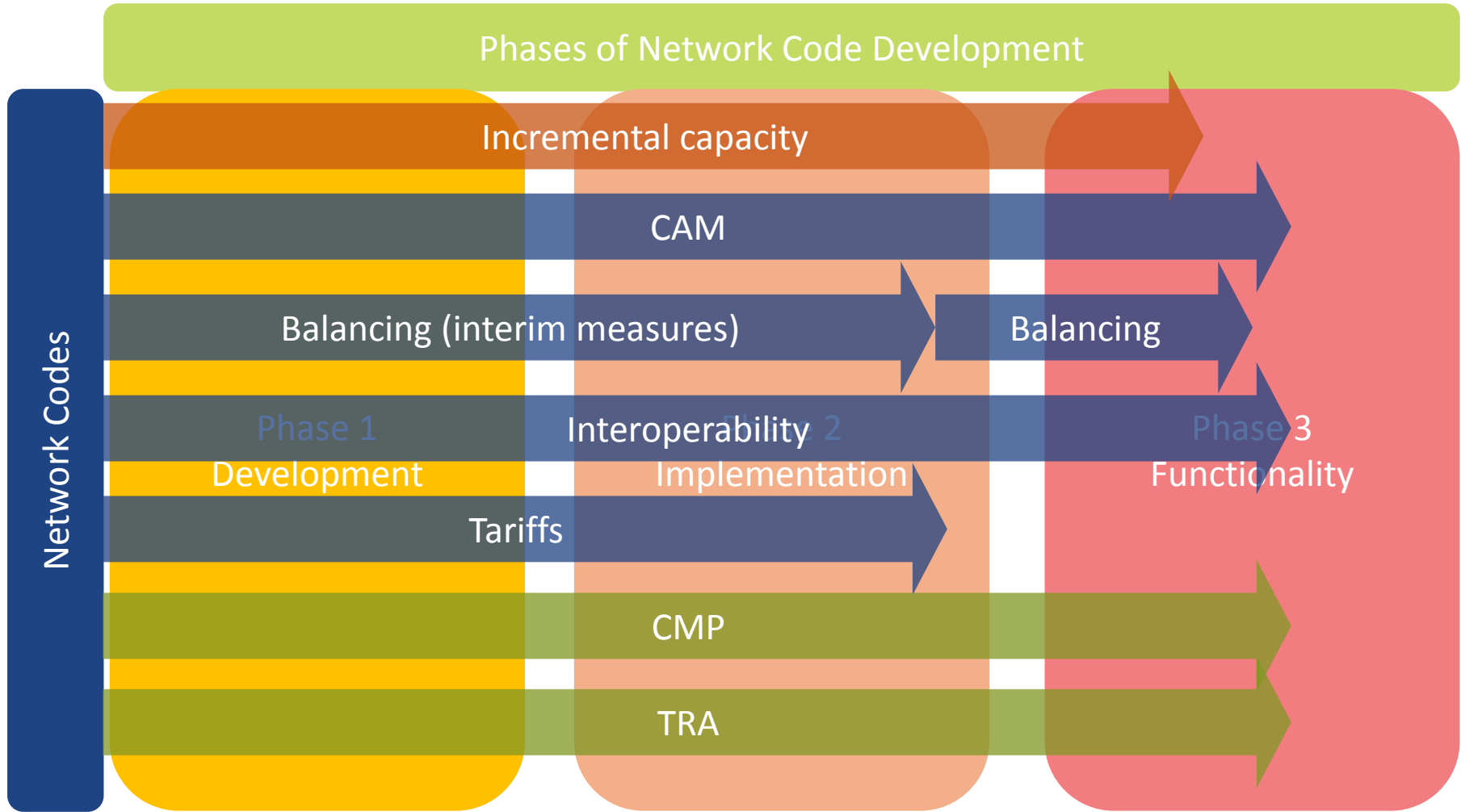
Phase 1  
Development

Phase 2  
Implementation

Phase 3  
Functionality



# Network Code Development Process



# What Next?



## 1. Monitoring

Continue to focus on implementation of the current legislation

## 2. Functionality

Check and ensure NCs work properly:

- What is not working well?
- What is missing?
- What changes are needed?

## 3. Future role of gas

Longer term:

- Decarbonised energy system
- Security of supply
- Well functioning markets



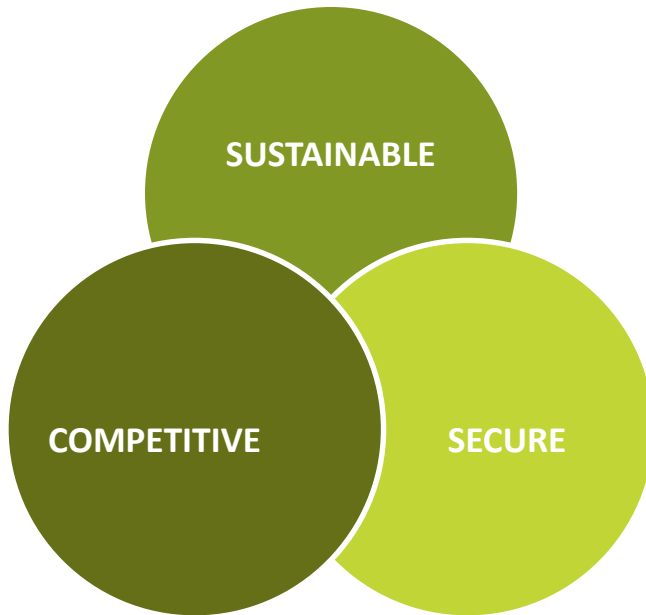
# **ENTSOG's Longer Term Vision**



# EU Energy Goals



## EU Internal Energy Market Goals:



## EU Energy Union Goals:

SECURITY, SOLIDARITY & TRUST

FULLY INTEGRATED ENERGY MARKET

ENERGY EFFICIENCY

DECARBONISING THE ECONOMY

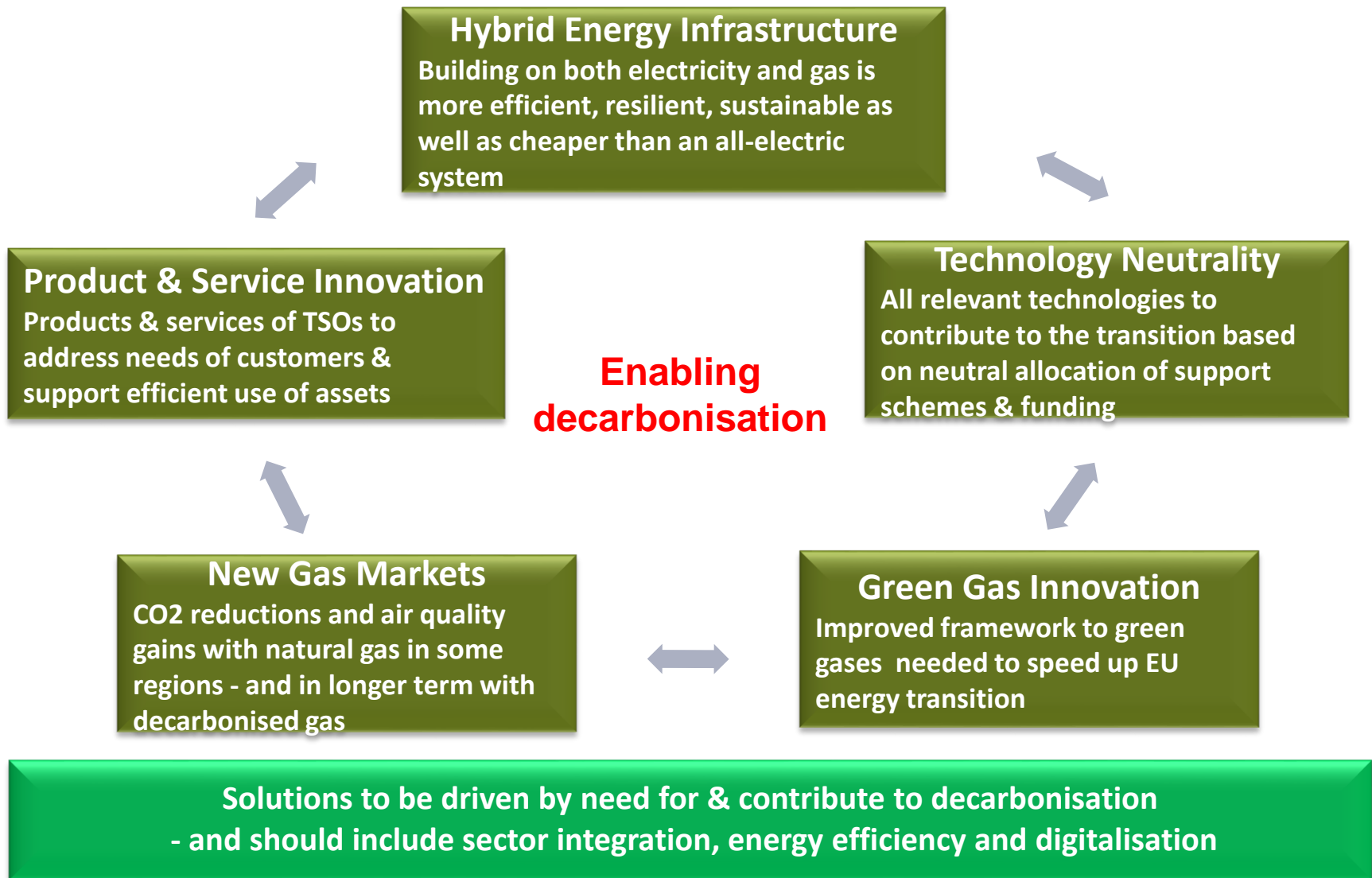
RESEARCH, INNOVATION AND  
COMPETITIVENESS

*Clean Energy Package has addressed the electricity issues of the ENERGY UNION  
- but has not addressed any gas issues or gas-electricity interactions.  
A gas package will be more than just mirroring from electricity to gas legislation.*





# ENTSOGEs Key Messages for Gas Package 2020







# Quantification of the existing potential

## Cost efficiency with green gases vs full electrification in studies:

- *Ecofys "Gas for Climate" study 2018 estimates €138 Bn per annum savings*
- *Eurogas 2018 PRIMES study 2018 estimated savings of €335Bn based on all electric vs higher share of bio/syn gas scenarios.*
- *Frontier Economics 2018 FNB Green Gas Study estimated €12Bn per annum savings in Germany alone*



**1 100 TWh**  
**EU Gas storage capacity**



**372 TWh**  
**EU wind & solar generation 2016**  
(Eurostat)



**900 GW**  
**EU Gas storage withdrawal capacity**



**270 GW**  
**EU wind & solar power capacity**

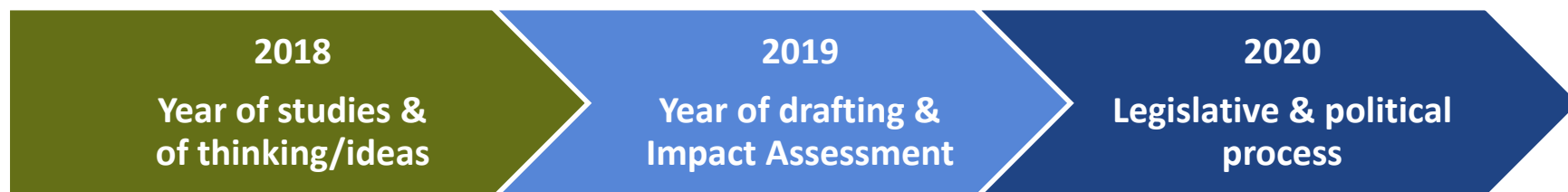
***Gas storages can store around 3x the current yearly energy production from variable e-RES***

***Gas storages power capacity is more than 3x the current wind and solar power capacity***



# G2020

# ENTSOG work with Stakeholders and expected process for Gas Package



- *The dynamics of the launched/announced EC studies forms important drivers, but overlaps between the studies need systematic and coherent messaging*
- *ENTSOG has established its basis for input to studies, legislative/political process and follow-up actions*
- *Testing ideas/concepts through stakeholder dialogue needed*

Establish readiness for dialogue with Commission and stakeholders

# ENTSOG's understanding of Gas 2020 package scope:

## 3 pillars of the package

### 1. Mirroring the common topics

- Governance
- Open and fair retail markets
- Smart metering
- Consumer protection

“Parked” until electricity market design finalised

### 2. Strengthening the functioning of the market

- Benchmarking of the NC implementation and systematic plan for EU action
- Combine capacity and commodity release
- EU benchmarking of TSOs revenues
- ....

EC starts to work on this pillar by launching several new studies to be held in 2018/2019

### 3. Future role of gas

- EU Energy (hybrid) system
- Natural Gas as a bridge and CCS/CCU framework
- Biogas – green gases in local production
- Hydrogen – P2G and sector coupling
- ....

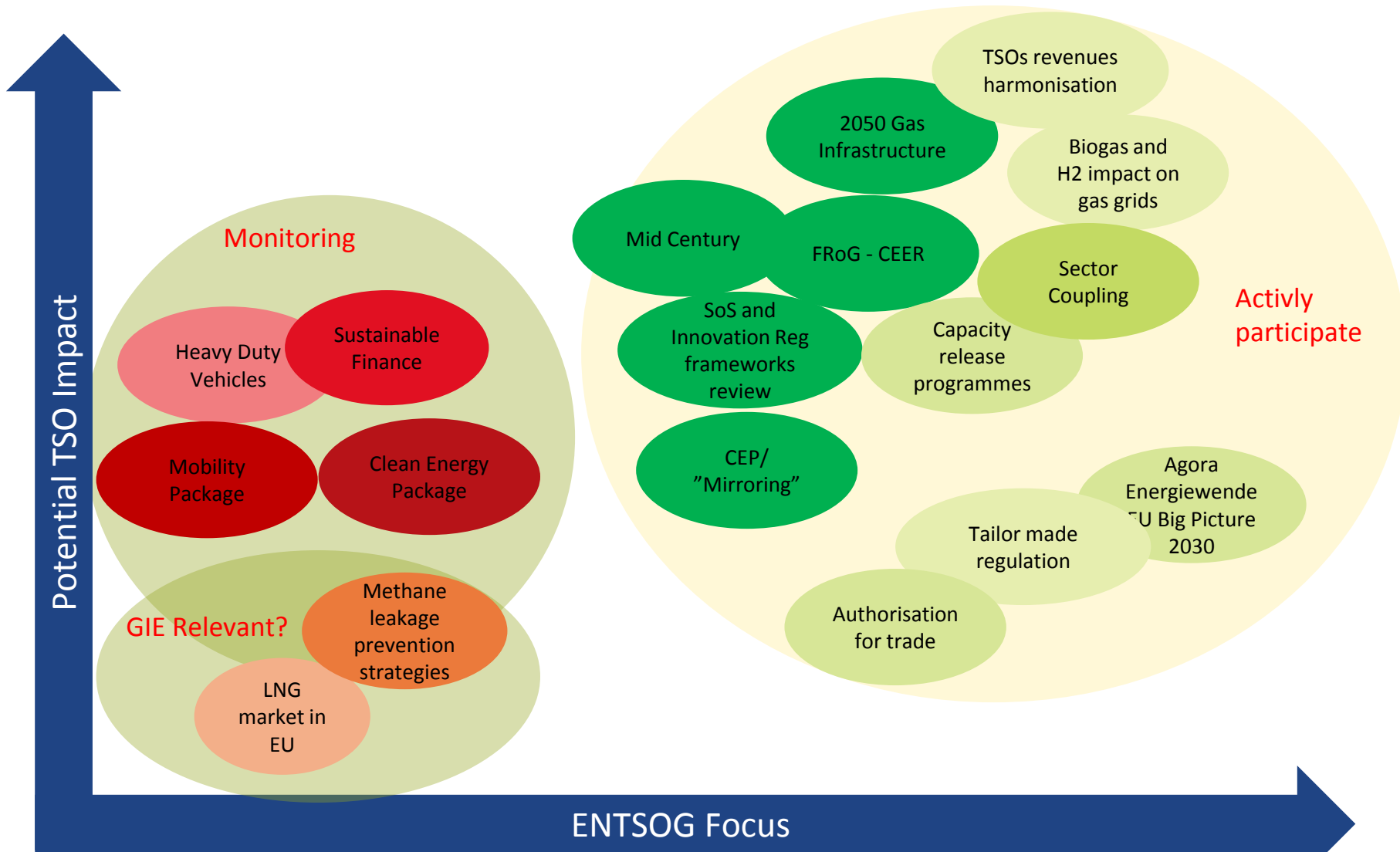
ENTSOG proposals to be discussed with the stakeholders

Not what would be the percentage of gases in the fuel mix, but which sectors can develop using it

and HOW?



# G2020 - Where should we focus?





**Example – the need to develop  
new products and services**



## Product & Service Innovation : Why?

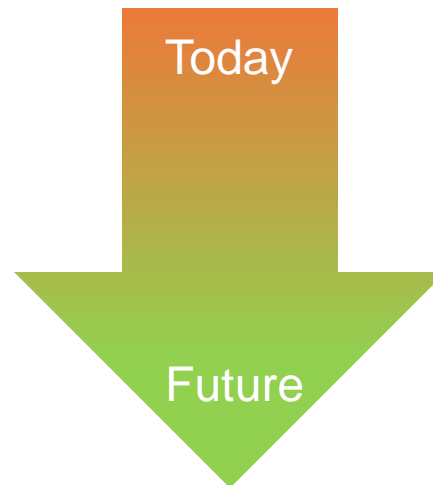
- After having established a standardized TSO product range facilitating the IEM, the new challenges regarding decarbonization and sector coupling needs **more flexible new products and services.**
  
- **ENTSOG proposes to work on a tool box of new products & services which should :**
  - ✓ **enable and accelerate the energy transition**
  - ✓ **support efficient use of assets**
  - ✓ **address needs of customers**





## Current versus future needs

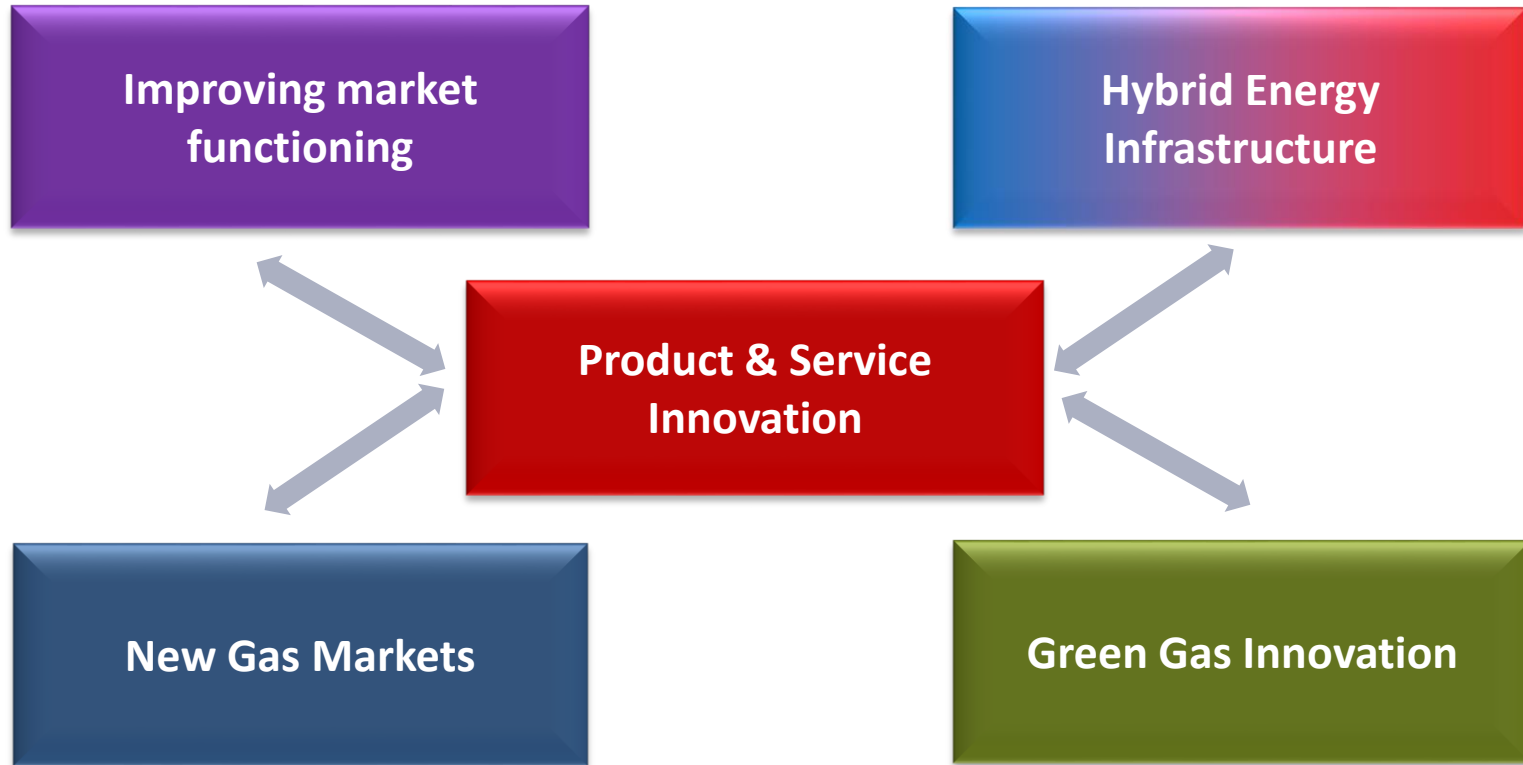
- Structured standardised products
- Limited scope for innovation
- Limited scope for customer driven products



- More flexibility in what products are offered
- Enable ability to innovate
- Respond to customer needs



# Key role for products and services





## Product & Service Innovation : initial thoughts

- New products could facilitate the production of renewable gases and the use of gas, like :
  - ✓ Facilitate the connection of green gases
  - ✓ Further enable the interaction with electricity
  - ✓ New services associated with gas quality, transport services, etc.
  
- TSO should be allowed to innovate for the benefit of the market and to accelerate the energy transition, for example :
  - ✓ R&D enabling the production of renewable gases
  - ✓ Pilot projects to demonstrate feasibility



# Thank You for Your Attention

Market Brussels Team

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