

Gas Industry Goes Green: Myth or Reality?

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Dr James Watson
Secretary General

Gas...in our daily lives and our economy

Europe generates 20% of electricity from gas¹

Gas provides 43.4% of EU space heating²

Gas heats \pm 50% of EU hot water³

Gas covers 33.1% of EU cooking⁴

2017 EU gas consumption: 491bcm⁵

Renewable gas produced in EU (2016): 4% of natural gas consumption, most of it is biogas⁶

¹ Source: BP *Statistical Review of World Energy 2018*

^{2 3 4} Expressed in shares, in EU residential sector. Source: Eurostat

⁵ source: European Commission, *Gas Market Report Q4 2017*

⁶ Source: European Commission with reference to Eurostat

How can we deliver competitive decarbonized energy?

- Gas infrastructure already exists, largely amortised so offers a good base for competitiveness
- Scaling up the production of renewable and decarbonised gases to ensure continuity in the energy provided whilst reducing its carbon footprint
- Ensuring renewable and decarbonised gas is recognised in the objectives which Member States have to achieve in terms of reducing GHG emissions – NCEPs
- A competitive gas market to ensure competitiveness on the international market – diverse sources

Challenges to Solve

- Hydrogen production – cost needs to be brought down through scale, what are best pathways to scale?
- Need to address:
 - Blending strengths i.e. how much hydrogen, biogas and natural gas can you blend?
 - At what point do biogas and hydrogen become competitive?

Eurogas proposals for the gas package that can help solve the competitiveness-decarbonisation conundrum

1. Introduce an EU target for renewable and decarbonised gases
2. Develop a European blueprint for Guarantees of Origin (GOs) for hydrogen
3. Market design to enable r-gas and d-gas to reach maturity and deployment at scale, and to be integrated into the wholesale market
4. Enable the development of technologies to decarbonize the gas supply e.g. pyrolysis, CCS/U and SMR

Renewable and decarbonized gases - NOW!

voestalpine
ONE STEP AHEAD.

GROUP MEDIA INVESTORS JOBS PRODUCTS



voestalpine, Siemens and VERBUND are building a pilot facility for green hydrogen at the Linz location



7 February 2017 | The European Commission has awarded the H2FUTURE project consortium VERBUND and Austrian Power Grid (APG) as well as the research-partners K1-MET and ECN, one of the world's largest electrolysis plants for producing green hydrogen. The project-partners cooperatively on implementing an innovative hydrogen demonstration plant at the voestalpine

Solutions are being examined now:

- Cadent gas and H21 projects in the UK
- Standardisation work in CEN
- Technical conclusions from Marcogaz on H2 injection

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About Gasum — For the media — News — 2016
18.05.2016

Leading steel industry company BE Group begins to use biogas in steel and metal product manufacturing

One of the largest providers of steel and metals distribution and production services in Northern Europe, BE Group Oy Ab will begin to manufacture steels and metals using 100% Finnish Gasum biogas made from local biodegradable waste at its Lahti facility. BE Group Oy Ab will buy the biogas from Lahti Energy. BE Group is the first company in Finland to offer its customers ecological and environmentally friendly steel and metal products made with biogas.

"We specialize in the pre-processing of steel and want to provide our customers with a more environmentally friendly service. As a major purchaser we're an attractive cooperation partner for steel producers and customers alike. Our

ENG 17/18

The industrial opportunity of Renewable and Decarbonised Gas

- Europe leads on the industrial production of:
 - Anaerobic digestors
 - Electrolysers
- Gas industry in itself offers industrial opportunities for Europe to lead on low carbon technologies
- This implies the creation of jobs and wealth in Europe through the energy transition

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