
CEER Public Consultation on Regulatory Challenges for a Sustainable Gas Sector

Contact details and treatment of confidential responses (413)

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Please, mark the box if you wish your response to be treaded as confidential. (5612)

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If you wish your reponse to be treated as confidential (5629)

Regulatory Challenges for Renewable Gases (414)

Q1 Which activities do you consider relevant for potential TSO/DSO involvement that should be considered in the assessment? (5646)

Type: (T/text-long)

The “logical framework” presented in the consultation document (figure 1) can serve as a tool to categorise the possible activity range of network operators. However, the unbundling requirements must be respected under all circumstances. Energy production and trade is a task of market players.

Q2 To what extent should a common European threshold for the blending of hydrogen in gas networks be mandatory and which timing should be taken into account? Please explain your reasoning. (5647)

Type: (T/text-long)

An overall low threshold should be mandatory in order to promote the feed in of H2 in the whole gas-network. Over time this minimum-threshold should be adapted upwards.

Furthermore, where feasible the threshold should be set higher, according to the regional technical configuration and potential. New infrastructure and devices should be implemented with a maximum of possible H2-compatibility. However, the implementation of green-gases should be market driven.

Therefore, higher thresholds serve as door opener.

Q3 Under which circumstances or conditions should hydrogen networks be regulated, and should this regulation be in the same way as gas networks or are there alternatives? Please explain your reasoning. (5648)

Type: (T/text-long)

Hydrogen networks should fall under the same regulatory rules as gas networks. The transition from a H2-blended gas-network to a pure H2-networks or mixed green gas networks should be promoted.

Q4 Is 'cost efficiency' a legitimate reason for pro-active market intervention which may be contrary to a general "technology neutral" approach? Please explain your reasoning. (5649)

Type: (T/text-long)

Technological development can't be foreseen in any case. Therefore, market interventions should be limited to the needed minimum. More important is, to set a framework where price signals can drive the market development in the desired manner - e.g. throw CO2 prices - and to open up the market for all players to deal with those prices-signals.

Q5 Which role do you see for power-to-gas infrastructures? (5650)

Type: (T/text-long)

Power-to-gas is a key technology for the coupling of sectors. Especially in regions with high curtailment, additional demand can make use of currently wasted electricity. Furthermore, it is crucial to make significant progress in the heat and mobility sector. Hence, power-to-gas infrastructure should be planned with regard to the electricity, gas and mobility infrastructure simultaneously. Top priority should be to implement curtailed electricity by allowing an economical feasible use of it. This could reduce costs for network expansion as well.

Q6 In your opinion, do the electricity and gas tariff systems create possible distortions to the efficient deployment and use of power-to-gas technologies? If yes, how and in what circumstances? (5651)

Type: (T/text-long)

The main burden for storages and power-to-gas devices in Germany is the classification as “end consumers”. With that, charges on the converted or stored electricity hinder the economical feasibility of those urgently needed sector-coupling-technologies. In addition, the current compensation measures for wind park operators provide no incentive for the efficient use of excess electricity, as described above. With a view to energy efficiency and cost efficiency for investments in renewables the injection of excess renewable electricity into power-to-gas facilities - instead of curtailment - is necessary.

Q7 Do you see other possible issues regarding power-to-gas technologies that require consideration from a regulatory point of view? (5652)

Type: (T/text-long)

Non-discrimination of technologies as well as unbundling requirements need to be respected. In order to drive the demand to renewable energy carriers introducing a price signal is crucial, either by extending the European emission trading system (ETS) into the heating and mobility sector or by introducing a CO₂ pricing for final customers. Furthermore, to create business cases for power-to-gas devices, the contribution of green gases to the decarbonisation of all sectors needs to be implemented in the regulatory framework. Meaning that the usage of already accounted carbon (e.g. ETS integrated carbon or carbon charged with a CO₂ price) can be used for recycling (CCU) to produce synthetic gases. Those gases can be accounted as climate-neutral as no additional carbon-emissions are caused by its usage. Those synthetic gases must be classified as (near) carbon-neutral similar to gases from biogenic origin. Another option to create demand for renewable gases are adequate incentives across different sectors: In the mobility sector, the possibility for vehicle manufacturers to meet the CO₂ emission standards by using green gases. In the heating sectors green gases have to be supported by the energy efficiency legislation. As long as renewable gases delivered via the grid is not acknowledged in the energy efficiency calculation of buildings there will be no significant demand.

Q8 What is required to facilitate efficient cross-border trading of renewable gas GOs? (5653)

Type: (T/text-long)

Q9 Which lessons from the EU-wide system for renewable electricity, if any, should be considered when setting up an EU-wide GO system for renewable gas? (5654)

Type: (T/text-long)

GOs should foster the installation of renewable capacity, hence drive the market integration. Therefore several options are considerable: a combination of investment incentives, tenders on capacity instead of the promotion sum and the possibility for all state-aided renewable installations to produce GO's (as notified in the RED II) would open up the market. Thereby setting up a market price with incentives to build additional renewable capacity. A rising price of GO's, due to increased demand, would lead to a faster installation rate of renewable capacity. Synthetic gases produced with renewable energies as well as gas from biogenic origin should be part of that trading-system.

Infrastructure Investments and Regulation (415)

Q10 In your view what should be ACERs and NRAs' responsibility in the development and approval of the TYNDPs, their underlying scenarios and the CBA methodologies? (5655)

Type: (T/text-long)

Q11 How should the whole process be designed to maximize the efficiency of decision taking about new infrastructures? In particular, would you support the addition of cross-references between the infrastructure regulation 347/2013 and the CAM NC (2017/459)? (5656)

Type: (T/text-long)

Q12 Do you see a risk for stranded assets in your country? If it becomes of relevance, what could be the appropriate regulatory tools to reduce this risk? (5657)

Type: (T/text-long)

Q13 In your opinion, should decisions on decommissioning be assessed with methodologies similar to those used for investing in new cross-border infrastructures? Do you see the need of an EU framework for decommissioning infrastructure with a cross-border impact? (5658)

Type: (T/text-long)

Adapting the Gas Market Design (416)

Q14 What are the critical points that should be addressed regarding the gas market design?

(5659)

Type: (T/text-long)

Q15 Considering the possible development of renewable gases, in your opinion, do you see a need to update the gas market design? (5660)

Type: (T/text-long)

Q16 In your opinion, do you see an issue with the current transmission tariff regime for the efficient integration of the EU gas markets, in particular considering a scenario where long-term contracts expire and gas consumption may decrease? (5661)

Type: (T/text-long)

Q17 If yes, how could the current tariff system, with particular regards to cost allocation methodologies, be amended? (5662)

Type: (T/text-long)

Other question (417)

Q18 Are there other regulatory challenges for a sustainable gas sector not addressed in this document? (5663)

Type: (T/text-long)