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Strategy for Long-Term EU Greenhouse Gas Emissions Reductions

Dear Mr. Baltazar,

On behalf of ENTOSOG – the European Network of System Operators for Gas – we would like to address a few issues regarding the **Strategy for Long-Term EU Greenhouse Gas Emissions Reductions**.

ENTOSOG is closely following the preparation of the strategy and submitted its comments in the consultation process. Different versions of the study have been circulating recently and we are aware that the study is still work in progress.

However, ENTOSOG and its members – the gas transmission companies – are concerned that some key aspects are not sufficiently addressed in the study.

At the October 2018 Madrid Forum, where ENTOSOG-E representatives participated for the first time, in our view there was broad consensus amongst the participants that a closer cooperation between the electricity sector and the gas sector is needed in order to achieve the EU's decarbonization targets in a cost-efficient manner.

On this background, ENTOSOG would like to emphasize the vision of a **Hybrid Energy Infrastructure** – building on both electricity and gas infrastructure and the respective strengths of the two energy carriers and sectors as the backbone of the EU energy system. It goes without saying that throughout the process of sector coupling, both sectors will have to deploy more and more renewable and decarbonized energy sources - and with new and clean technologies like power-to-gas serving as links between the two sectors.

The existing European gas infrastructure – gas transmission, gas distribution, gas storage and LNG – is well-developed and robust in most of Europe. This has been clearly demonstrated at several

occasions e.g. during the cold spell period February/March 2018. It is also worth noting that the gas infrastructure already today addresses some of the key challenges of the energy sector – energy storage, high peak capacity capabilities as well as efficient long-distance (cross-border) energy transport.

Currently, the gas infrastructure is primarily based on natural gas. However, there is a huge potential – as even partly addressed in the draft study – to decarbonize. Biogas/biomethane already plays a significant and increasing role in some EU member states while other renewable and decarbonized gases – hydrogen, synthetic methane etc. – are at early, but promising stages of development.

Even though renewable and decarbonized gases are still to be further developed – technically and commercially – the potential of decarbonizing the gas infrastructure is too obvious to be missed in the future European energy strategy. We believe in the multiple possible applications of renewable and decarbonized gases: as fuel, as feedstock to produce clean gas and clean liquid fuels, and as a provider of electricity storage services. Furthermore, on security of supply, including cyber security, we are convinced that a **Hybrid Energy Infrastructure** is a safer and more secure concept than relying on one energy carrier only.

This aspect is further emphasized by the fact that the gas infrastructure is readily available – which is very important with respect to the costs of the future energy system and, consequently, the costs ultimately to be borne by the European energy consumers. The cost competitiveness of a **Hybrid Energy Infrastructure** has been proven by various studies (e.g. Pöyry 2018, Ecofys 2018, Frontier Economics 2017).

The concept of sector coupling is being further developed by businesses, academia, think tanks as well as the two ENTSOs, which have recently published a joint paper on their commitment to enhance and develop sector coupling. You can find it attached to this letter for your convenience.

Therefore, we recommend that the study on the **Strategy for Long-Term EU Greenhouse Gas Emissions Reductions**, and the resulting policy recommendations, fully embrace and include the concept a **Hybrid Energy Infrastructure** as a basic building block of the European energy future.

We would be more than happy to discuss the concept of the Hybrid Energy Infrastructure with you in more detail in person.

Yours sincerely,



Stephan Kamphues
ENTSOG President



Jan Ingwersen
ENTSOG General Manager