

GLE feedback on DG ENERGY conclusions paper on gas quality standardization

Following the Workshop on 1 July 2014

Prepared for the CEN public inquiry of Draft Standard prEN 16726

1. Who we are

Gas LNG Europe (GLE) currently represents 16 European LNG terminal operators (LSOs) from 9 countries, operating around 90% of the existing LNG regasification capacity in Europe.

GLE is committed to promote the development of transparent and non-discriminatory access for LNG within a fully operational European internal market, underpinned by a stable and predictable regulatory framework.

2. Introduction

GLE welcomes the work done by the European Commission and CEN on developing a European standard for H-gas quality and the organization of a workshop on 1st July 2014 to gather the views of stakeholders on the document. GLE has been providing support throughout the whole process and will be delighted to continue supporting it in the future.

Having said this, GLE has some concerns regarding DG ENERGY's conclusions paper on gas quality standardization following the above mentioned workshop.

3. GLE position

3.1 *"a Wobbe index band should be considered that is narrower than the 46.44 MJ/m³ – 54.00 MJ/m³ range currently set out in the draft standard;"*

If the Wobbe index band is narrower than the current range included within the draft standard, this would impose more barriers in the European Union as great volumes of LNG would not meet the specification; therefore LNG terminal operators will be obliged to reject these volumes or to treat them - depending on the decisions taken at national level - having the corresponding economic impact on final users. This would lead to the corresponding loss of diversification and flexibility of supplies in Europe, leading to greater risks in securing gas supplies. Moreover, the European Union would lose competitiveness in the global gas market.

3.2 *"it should be considered to add a parameter to set a band for maximum gas quality variation over a certain time period;"*

GLE would like to clarify that the variations of gas quality are not taken into account in business as usual operation of the regasification plants. The addition of this parameter would have a direct impact on the operation and management of the LNG terminals.

Europe counts with several examples of final users which are operating closely to regasification plants, thus subject to the gas quality variations, and, in general, they have not suffered incidents due to this reason. GLE claims that before taking a decision on the inclusion of this parameter, an in-depth analysis should be conducted to assess whether it is viable to include this parameter as well as the corresponding cost-benefit analysis.

To summarise, GLE believes that the introduction of this parameter in standardization of Gas Quality would entail significant implications that should be analysed further. Moreover, the inclusion of a new parameter at this stage of the process would imply the postponement of the publication of the standard.