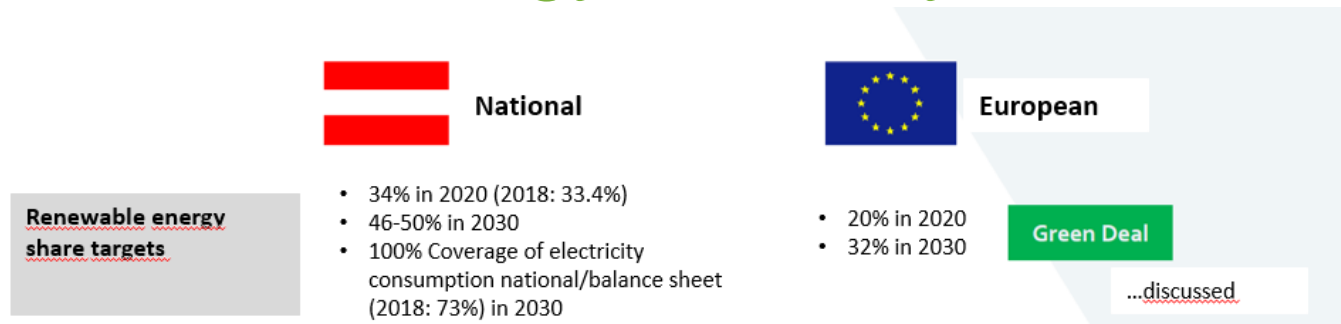


Decarbonising the Gas Infrastructure in CEE&SEE | MS Teams | 9 July 2020

Welcome!



The Austrian Energy Pathway in some figures...



- Energy production 2017 in total: 143,5 TWh²
- Energy consumption 2017 in total: 400,3 TWh² which will increase to 409,4 TWh by 2030¹
 - consists of fossil, hydroelectric power, biomass, ambient heat, photovoltaics and wind¹
- Gas consumption 2017: 90,7 TWh² which is 22,7% of total energy consumption
- Energy import 2017: 258 TWh² in total of which 81,5 TWh² (32%) are attributable to gas imports
 - planned reduction of import dependence by 2030¹,
- Gas demand will be 76,5 TWh³ in 2030 (according to the WAM scenario, gas consumption drops to 71 TWh in 2030)
- The replacement of fossil gas by renewable gas, the use of existing infrastructure, sector coupling, guarantees of origin and tax incentives for renewable gas are planned¹

¹ https://ec.europa.eu/energy/sites/ener/files/documents/at_final_necp_main_de.pdf

² https://op.europa.eu/en/publication-detail/-/publication/e0544b72-db53-11e9-9c4e-01aa75ed71a1/language-en?WT.mc_id=Searchresult&WT.ria_c=37085&WT.ria_f=3608&WT.ria_ev=search

³ depending o scenario (TYNDP)

Austrian Hydrogen Strategy under development since 2018

Conclusions:

Facilitating the establishment of H2 capacities

(Regulatory Sandboxes, IPCEI Hydrogen, connection costs, ...)

Making the gas network hydrogen fit

(clear paths for hydrogen tolerances, ...)

Support H2 mobility

(aid package for filling station infrastructure, trucks/buses, ...)

Adapt network charges and levy structures

(natural gas tax, double tariffs, ...)

Creating awareness

(Information, Competence Center, ...)

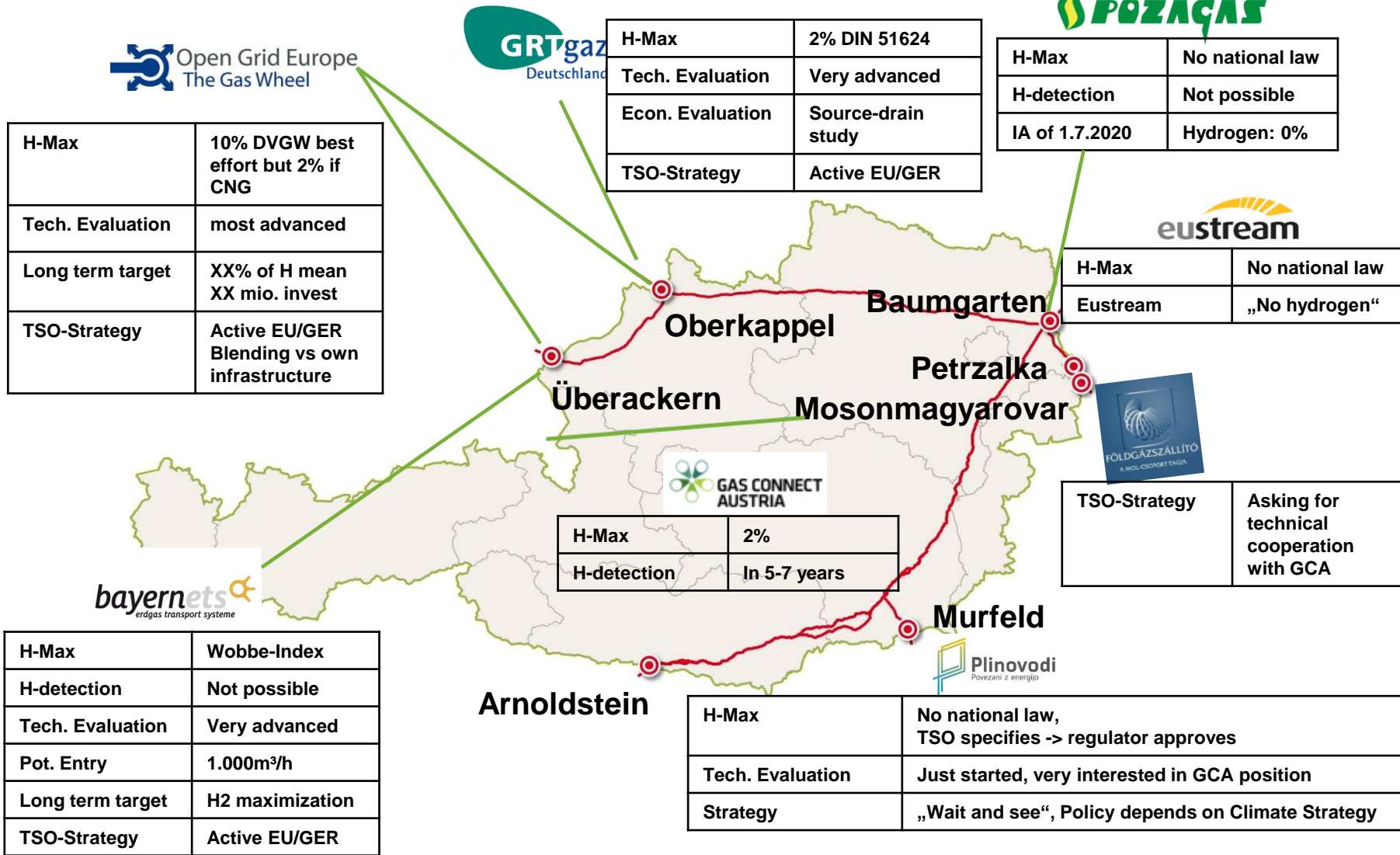
Levys

Gaseous hydrogen falls under the natural gas levy at 0.021 EUR/m³. Exempt from the levy is hydrogen that is not used as fuel or for the production of fuel and H2 from renewable sources

Renewable Rollout Law - Quotas – Obligation for Gas supplier / 5.0 TWh until 2030

- The discussion currently revolves around a sales quota up to 5.6% in 2030 (\triangleq 5.0 TWh* according to government programme at 90 TWh gas consumption)
- quota can only be increased by regulation (ensuring that 5 TWh are reached - according to the WAM scenario, gas consumption drops to 71 TWh in 2030)
- Securing AT's renewable production: fulfilling renewable gas must be eligible for inclusion in the AT renewable target under RED II.
Creditable through
 - Proof of origin with green gas seal (= RED credit)
 - Green gas certificate (off-grid, not tradable)

Adjacent TSOs and H₂ (discussion started)



Great potential for biomass and renewable gases

The Austrian Biomass Association (Österreichischer Biomasse Verband) shows the great potential of this industry. In 2050 Austria could have a biomethane supply of 4 billion cubic meters (according to the forecast of the Federal Environment Agency, mean value of the scenarios). 78% of this (converted) 35 Mio tonnes of Bio-SNG would come from agricultural biomass. This potential analysis ensures that no food or feedstuff is used, that the raw material supply for the Austrian wood-processing industry is maintained and that the existing use of bioenergy is also maintained.

(Source: Feasibility study methane from biomass, bioenergy2020+, Wieselburg 2019)

In addition to this great regional potential, however, we consider cross-border gas transport to be indispensable.

Note on levys in AT: Biogas falls under the natural gas levy at 0.066 EUR/m³. Exempt from the levy is biogas that fulfils sustainability criteria for the implementation of RED II.

Some thoughts and conclusions

The Austrian government should act more technologically neutral regarding decarbonisation (e.g. High premium for the purchase of new e-cars, investments in the transport or storage of fossil fuels are referred to as "climate-damaging investments"...). Especially when it comes to storing energy or balancing the power grid, there is no way around gas. The Austrian gas storage facilities can produce 93 TWh of energy while water-powered pump power plants can produce only 3 TWh.

Conclusions: To enable gas to contribute to decarbonisation in Austria requires equal political treatment of all renewable energy sources (in support regimes, taxation, building regulations, directives, mobility) and a market-oriented support model (nationwide support mechanism for feeding renewable gas into the gas grid, following the model of the past support of green electricity).

Thank you
for your attention.

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Energy, everywhere.

Goodbye.