

Economic Commission for Europe
Committee on Sustainable Energy

Group of Experts on Gas

Tenth session

Geneva, 23-24 March 2023

Item 14 of the provisional agenda

Adoption of Conclusions and Recommendations

Draft Conclusions and Recommendations
arising from the tenth session of the Group of Experts on Gas

Draft for discussion

Agenda item 3: Election of Officers

1. In March 2022, the Group of Experts elected a Bureau to serve from the end of the ninth session until the end of the eleventh session in 2024. The Group of Experts noted the following changes to the Bureau (if any) and elected the following additional Vice-Chair(s): XXXX to serve until the end of the twelfth session in 2025.

Agenda item 4: Activities and priorities of the United Nations Economic Commission for Europe Committee on Sustainable Energy

2. The secretariat updated the Group of Experts on the outcomes of the thirty-first session of the Committee on Sustainable Energy (Geneva, 21-23 September 2022).

Agenda item 5: Sustainable Development Goals

3. The Group of Experts explored how natural gas could accelerate the implementation of the 2030 Agenda for Sustainable Development. The discussion focused on the nexus natural gas-health and energy poverty caused by volatile energy prices in the ECE region and beyond.

4. The Group of Experts concluded that high and volatile energy, electricity, and heating costs, caused to a great extent by supply constraints, have endangered the achievement of most Sustainable Development Goals (SDGs). After many years, energy and fuel poverty have emerged in many parts of Europe.

5. The Group of Experts further concluded that natural gas continues to play a key role in ensuring energy security in the short- and medium- terms, but in the long-term, to create a sustainable path toward achieving SDGs it will be important to develop an effective strategy to transition to cleaner energy sources such as low-carbon and renewable gases.

Agenda item 6: Hydrogen

6. The Group of Experts highlighted that hydrogen is a gaseous energy carrier (vector) that can effectively contribute to decarbonisation of the energy supply. The Group of Experts remarked that the nascent hydrogen industry needs a rapid ramp up, and benefit from the opportunities offered by different and complementary pathways. The final shape of the hydrogen value chain may rely on an infrastructure based on blended gases to one fully dedicated to hydrogen, linking production and consumption sites, depending on the circumstances. Geographically, a hydrogen value chain may materialize in the shape of initial clustering up to a complete backbone development. Blends are both suitable for transmission across large distances as well as for local consumption and production.

7. The Group of Experts specified that quick adoption of hydrogen, despite some technical and regulatory challenges and the need to precisely determine its environmental impact, could reduce overall greenhouse gas emissions while facilitating the transition towards carbon neutrality in any of the pathways previously presented.

8. At its thirty-first session, the Committee requested that the Group of Experts on Gas lead the work on hydrogen, in collaboration with the other Groups of Experts. In response to this, the Group of Experts on Gas invited the Chair of the Committee, and the Chairs of the Committee's subsidiary bodies to discuss synergies among the Groups and the way forward. The panel concluded that hydrogen is a cross-cutting energy carrier (vector) that can generate important synergies across the energy supply chain. Hence, every Group of Experts under the Committee should consider how its activities could influence and be influenced by the emergence of hydrogen and how it could contribute its expertise.

9. The Group of Experts reviewed the proposed Terms of Reference of the future Hydrogen Task Force (ECE/ENERGY/GE.8/2023/4). The Group of Experts asked the Committee to review and update the Terms of Reference as presented in ECE/ENERGY/GE.8/2023/4, considering previous work done by the Group of Experts on Gas and with the participation of topic leaders from other Groups of Experts.

10. The Group of Experts reiterated the need to develop a classification for hydrogen that goes beyond colours and that accounts for the full life cycle of hydrogen production, transport, storage, trade, and use. This activity should cover the entire scope of hydrogen emissions through different production methods, including renewable and low carbon hydrogen.

11. The Group of Experts acknowledged the Delegated Regulations (2023/1087 and 2023/2086) of 10 February 2023 proposed by the European Commission to define what constitutes renewable hydrogen in the EU and on how to assess GHG emissions savings. These Regulations are tightly linked to other Directives and Regulations, such as the Renewable Energy Directive, and have implications for the development of the entire sector. The Group of Experts offered its expertise to disseminate the latest regulatory advances and their implications in ECE member States outside the EU.

12. The Group of Experts was informed about the outcomes of the event "Business case for hydrogen blending" held on 17 January 2023. The Group of Experts concluded that blending

offers important opportunities for sector-coupling and decarbonisation, and it is particularly suitable where hydrogen production is decentralized and far from consumption centres. While hydrogen scale up may follow complementary developments (repurposing, retrofitting, clustering, newly dedicated assets), blending is a cost-effective option that takes advantage of existing infrastructure and hence gives immediate access to large delivery capacities. Blended hydrogen allows for an immediate reduction in GHG emissions for gas consumers and facilitates a market for producers. Challenges to blending are known and manageable (retrofitting, embrittlement, or hydrogen-sensitive demand). Almost 100 companies and associations highlighted the advantages of hydrogen blending and advocated for the technical and regulatory development of this pathway.

13. The Group of Experts invited ECE member States to support future extrabudgetary projects on hydrogen managed by the Sustainable Energy Division.

Agenda item 7: System resilience and security of supply

14. On 18 October 2022, the Group of Experts organized, for the benefit of the Geneva-based Permanent Representations, a dialogue “Energy system resilience: The future of gas supply in Europe” (ECE/ENERGY/GE.8/2023/3). The event stemmed from the core mandate of the Group of Experts – to provide a forum for multi-stakeholder dialogue on sustainable and clean production, distribution, and consumption of gas in the ECE region.

15. The Group of Experts concluded that the affordability of energy, and particularly natural gas, has become a political issue of highest importance. This applies not only to residential consumers but, more importantly, to the industry users that rely on natural gas as a feedstock.

16. The Group of Experts highlighted the importance of building on new and existing supply chains to improve resilience and security, in regards of the climate agenda and economic competitiveness. This is to find an equilibrium between environmental sustainability and affordability.

17. The Group of Experts concluded that the key priorities for Europe continue to be how to: address possible interruptions in gas delivery; rebalance Europe’s energy gas supplies mapping possible alternatives; and take in account the urgent need to mitigate the impact of climate change while securing access to energy.

18. The Group of Experts acknowledged the role of renewable gases to enhance security of supply. A diversified portfolio on energy vectors, including biomethane, hydrogen and its derivatives, are central tools for a stable energy supply.

19. The Group of Experts offered its support to the work on just transition undertaken by the Group of Experts on Coal Mine Methane and Just Transition and requested the secretariat to explore opportunities for strengthening collaboration between the two Groups of Experts.

Agenda item 8: Methane emissions

20. The Group of Experts welcomed collaboration with the Global Methane Initiative and its Oil & Gas Sub-committee. The Group of Experts was informed about the growing interest from

GEG-10/2023/INF.2

ECE member States to accelerate action to mitigate methane emissions, particularly from high emitting members that have signed the Global Methane Pledge, including the United States, Canada, and the EU.

21. The Group of Experts is committed to supporting methane management and emissions reduction activities along the entire gas value chain.

22. The Group of Experts also recommended to continue co-hosting and coordinating events that foster dialogue and information exchange about methane mitigation best practices, such as the 22 March 2023 methane workshop co-hosted by the Group of Experts on Gas and the Global Methane Initiative. This includes the co-hosting of the next Global Methane Forum, scheduled to take place in Geneva in March 2024.

23. The Group of Experts recommended to ECE member States to ensure robust and accurate monitoring, reporting and verification (MRV) processes based on comparable approaches, as well as to continue engaging with others active on methane mitigation, including through the OGMP, IMEO, the Global Methane Initiative and the Global Methane Pledge, to roll out the best available techniques to mitigate methane emissions.

24. The Group of Experts agreed that sharing knowledge and raising awareness is key to achieving further reductions of methane emissions along the complete gas value chain. To support this effort, the Group of Experts recommended fostering exchanges on methane management, mitigation, and policy-making best practices, such as through workshops, trainings, and webinars.

Agenda item 9: Carbon capture, use and storage

25. The Group of Experts was updated on developments in carbon capture use and storage, including the use of depleted on- and off-shore gas fields for CO₂ storage.

26. The Group of Experts reiterated that carbon capture, use and storage (CCUS) technology is essential to mitigating climate change and recommended to ECE member States to consider the following facts:

- The key to advancing CCUS technologies is a favourable governmental and regulatory framework that will incentivise the industry to embark on the path to net zero that makes use of CCUS-technologies.
- The regulatory framework should be developed taking in account the economic competitiveness of the ECE region in a global marketplace.
- Robust value chains must be established enabling CO₂ emitters to dispose the carbon into safe storage sites.
- Partnerships between the emitters and service providers should be set up in a balanced way, taking into account all parties' interests.
- Attractive business models must be developed building on the local, national, and regional circumstances.
- New modular technologies are being developed facilitating CCUS use in small-scale applications that are critical for accelerating technological development.

- The use of CCUS to mitigate emissions of GHGs will help hard-to-abate industries to maintain operations, provide job security and embark on the path of a just transition

27. The Group of Experts further concluded that some depleted gas fields have the potential to be used for CO₂ storage, while some of the underground gas storage facilities could be converted to store an increasingly decarbonized mixture of natural gas and hydrogen.

Agenda item 10: Emerging issues and work plan for 2024-2025

28. The Group of Experts noted that, thanks to robust activities in 2022, it is on track to implement successfully its 2022-2023 work plan.

29. The Group of Experts approved its draft work plan for 2024-2025 as presented (room document GEG-8/2023/INF.1), subject to incorporation of amendments as agreed at the meeting: xxxx.

30. As per the Committee's request, the work plan for 2024-2025 contains additional activities that support the ECE Platform on Resilient Energy Systems. The activities under the Platform could involve a series of dialogues on resilient energy, similar to the event held on 18 October 2022.

31. The Group of Experts requested the secretariat to submit the draft work plan as a parliamentary document for 2024-2025 to the Committee on Sustainable Energy at its thirty-second session.

32. The Chair of the Group of Experts encouraged all members to actively engage in the work of the Group to assure timely and effective delivery of the tasks indicated in the 2024-2025 Work Plan.

Agenda item 12: Preparations for the eleventh session of the Group of Experts on Gas.

33. The Group of Experts recommended the following topics for the substantive portion of its eleventh session: [to be decided at the meeting].

34. The Group of Experts recommended that the eleventh session of the Group of Experts be held in March 2024 during the ECE Methane Week.

Agenda item 13: Any other business

35. The Group of Experts requested the Bureau, in cooperation with the secretariat, to develop an extrabudgetary funding strategy including list of potential donors to approach.

Agenda item 15: Adoption of the report and close of the meeting.

36. The report of the meeting was adopted, including the conclusions and recommendations, subject to any necessary editing and formatting.