



“Keeping the lights on - gas Infrastructure to fuel power in Germany coal exit plans”

- **Gas will replace coal to fuel Germany’s power sector during coal exit**
- **Gas infrastructure essential to deliver increased demand for gas**
- **Sets the stage for more efficient power production and integration of renewable and decarbonised gases**

On 26 January 2019, a commission appointed by the German government made a historic agreement that will influence the role of gases and the gas infrastructure in the international debate on climate change. The *Commission for Growth, Structural Change and Employment* (the “Coal Commission”) recommended to step out of power production from coal by 2038 and fill the resulting gap with predominantly **natural gas**. The interim steps of replacing coal generation capacities (lignite & hard coal) of 12.5 GW by 2022 and over 25 GW by 2030 were agreed. This in addition to the commitment of reducing a significant 9 GW of nuclear power by 2023.

Consequences for the natural gas industry are positive and far-reaching, not least that the decision relating to one of Europe’s largest energy markets will trigger a positive incentive for Europe’s gas transmission pipelines to meet increased demand. The newly appointed President of Gas Transmission Europe Harald Stindl, said, “The role and importance of gas transmission pipelines, but also LNG and storage facilities has been visibly strengthened as an effective energy transporter and provider of flexibility. Future European and national energy policy and regulatory initiatives should take account of this and provide for an attractive investment climate and operational conditions for the essential elements of the gas infrastructure – transmission, LNG and storage.”

To meet the commitment, available gas-fired power plants currently in stand-by mode will be reactivated and the approval process for new gas-fired power plants will be accelerated. Energy efficiency – with direct key impact on reducing emissions - will be improved as CHP units will be installed as part of the plant upgrades. In addition, existing gas power plants will be able to return to better profits margins due to more operational hours.

The former coal regions will receive €40Bn funding to build up high-technology centres for innovative energy solutions, resulting in new jobs and strong future for new gases. In addition, the Coal Commission also recommended that the system of fees and taxes in the energy sector should be revised in order to support the flexibility provided by Power to Gas, hydrogen and the storage of renewable energy as gas.



Gas Infrastructure Europe



PRESS RELEASE

Over the last five years the German Gas & Water Association (DVGW) with the support of other German associations have promoted proactively to convince the German government and stakeholders that *Gas Can Be Green* and welcomed the Coal Commission recommending Power to Gas as being a “key technology” to enable sector coupling with electricity. DVGW CEO, Professor Gerald Linke commented, “Our hard work has paid off. However, we still have work to do to show the impact of this decision on reducing GHG emissions and how Gas Can Green whilst continuing to deliver reliable supplies for Germany’s continuing economic growth.”

Before this, natural gas was banished from the accepted toolbox of solutions for sustainable energy supply. However, thanks to the sustained efforts and investment into a number of methanisation and power-to-gas demonstrations, as well as verified studies showing that gas in all its forms (methane, biogas and hydrogen) is indispensable to achieving ambitious climate targets, the German associations have created the understanding that gases are part of the solution.

The next task for the gas industry is to work with the coal plants to meet the energy transition demands, prove the feasibility of further growth through the use of hydrogen and renewable and lower-carbon gases and expand the strategy of emission reduction into the transport and heating sectors.

Note to Editors

Gas Infrastructure Europe (GIE) is an association representing the interests of European gas infrastructure operators active in gas transmission, storage and LNG regasification. GIE is a trusted partner of European institutions, regulatory bodies and industry stakeholders. It is based in Brussels, the heart of European policymaking. GIE currently represents 70-member companies from 26 countries. Its internal structure has three columns corresponding to the three types of infrastructure activities represented: GTE (Gas Transmission Europe), GSE (Gas Storage Europe) and GLE (Gas LNG Europe), all of which fall under the umbrella of GIE. This structure allows member companies to speak with one voice on infrastructure topics as well as to build positions on column specific issues. To find out more about GIE’s structure and activities, please visit our website at www.gie.eu.

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