

Warsaw, 10 August 2018

Gas Transmission Operator GAZ-SYSTEM S.A.'s response to the public consultation on the strategy for long-term EU greenhouse gas emissions reductions.

The present document has been drafted in response to the public consultation of the European Commission on the proposal for the strategy for long-term EU greenhouse gas emissions reductions. GAZ-SYSTEM S.A. would like to thank the European Commission for the possibility to express proposals in the relation to the EU strategy.


GAZ-SYSTEM S.A. is a strategic company for the Polish economy that is responsible for the transportation of natural gas via the transmission network to supply the distribution networks and final customers connected to the transmission system.

A number of actions are undertaken by GAZ-SYSTEM to support the transition towards a low-carbon economy. For this purpose, a large investment program aimed at constructing LNG terminal in Świnoujście, developing internal transmission network and enhancing its interconnectivity with adjacent systems was completed in recent years. Further investments in gas infrastructure are currently under implementation by GAZ-SYSTEM S.A.. They include: the extension of LNG terminal in Świnoujście, the construction of the Baltic Pipe project, cross-border interconnections with adjacent systems and domestic transmission system. These investments will guarantee that appropriate volumes of natural gas as an environmentally-friendly fuel will be delivered to the gas customers Poland and other countries in Central-Eastern Europe and the Baltic Sea region.

GAZ-SYSTEM wish to emphasise that the EU Member States share the same climate and energy objectives in the long run, however individual countries have different starting points in their paths towards the energy transition. In this context, Eurostat data¹ indicates a large share of high-emission sources of energy (such as solid fuels and petroleum) in the energy mix in countries located for instance in Central-Eastern Europe. In some cases, these sources far exceed 50% of the mix. Similar conditions hold true for instance in the power generation and heating sectors. This illustrates that the implementation of long-term climate and energy objectives can be led through the promotion of natural gas and its infrastructure. Such policy may well contribute significantly towards substantial emission reductions in the long-term perspective.

Natural gas is an efficient source of energy that may be used not only to meet policy objectives but also to mitigate specific and tangible problems faced by citizens. Air pollution resulting from burning high emission and low quality fuels, especially in the winter period, constitutes a serious problem in many cities and continues to affect adversely human health. This concerns in particular Central-Eastern Europe. Therefore, remedial actions need to be taken swiftly. Natural gas may help achieve this in a timely and cost efficient manner with the

¹ <http://ec.europa.eu/energy/en/statistics/country>.



connection of new customers like households, heat and power plants to the gas grid and the promotion of alternative fuels such as LNG and CNG in the transport sector.

Considering the above mentioned national and regional circumstances, the strategy for long-term EU greenhouse gas emissions reductions should duly recognise pathways that make full use of natural gas and its infrastructure. This relates in particular to those EU Member States where significant greenhouse gas emissions reductions may be achieved with the promotion of low emission sources of energy.

GAZ-SYSTEM S.A. support the adoption of a holistic approach when developing the strategy for long-term EU greenhouse gas emissions reductions. As part of this process, particular attention should be placed on the regulatory framework to make sure that it keeps pace with market conditions and takes into consideration market needs and challenges related to the energy transition. In this context the regulatory set-up should foster R&D projects undertaken by gas infrastructure operators to roll out innovative solutions and technologies (e.g. power-to-gas technologies and other solutions to develop renewable gases). Furthermore, the regulatory framework should enable operators to offer new products and services to market participants and to fully exploit the potential of the gas infrastructure. This could be done among others by promoting sector coupling (i.e. gas, electricity, heat, cold) and by taking advantage of synergies and complementarities between different infrastructures and sources of supply.

GAZ-SYSTEM S.A. remain available to provide further assistance in relation to the strategy for long-term EU greenhouse gas emissions reductions and other measures undertaken by the European Commission.