

Higher gas demand in 2017 helps lower emissions

Brussels, 6 November 2017 – Gas demand in the EU is expected to increase by 5.9% in 2017 year-on-year and reach 488.9 billion cubic metres, according to the new forecast by Eurogas. This data confirms a steady trend, not only in the weather-dependent heating and cooling sector, but also in power generation and in a new market for gas: transport. Together with renewable gas, natural gas has strong potential to reduce CO2 emissions even further and contribute to long-term decarbonisation.

While cooler weather in 2017 meant an increase in gas demand in some EU Member States, other drivers were also at play. Continued economic growth and the **replacement of coal-fired power plants with modern power generation using gas resulted in higher demand. More gas was also used in transport**, with Compressed Natural Gas (CNG) showing a strong performance as transportation fuel in the Czech Republic, Belgium, Estonia and Italy.

*“The positive trend of gas over three consecutive years is not least due to the ability of gas to reduce CO2 emissions cost-effectively. **It is important and there is still a chance to reflect this more fully in the Clean Energy Package,**”* Eurogas Secretary General Beate Raabe points out, as the package passes through the legislative process.

The electricity and gas markets are interlinked. This ensures not just healthy competition and warm homes in winter because the gas system can cope with very high and fluctuating demand, but it also enables the flexibility and large-scale storage options on which a growing share of variable renewable electricity depends.

A minimum of three changes to the Clean Energy Package is therefore important: 1) Creating a link between electricity and gas DSOs in the **Electricity Regulation**; 2) A Primary Energy Factor for electricity in the **Energy Efficiency Directive** that reflects today’s reality, or else energy labels can become distorted, raising energy consumption rather than decreasing it; 3) The **Renewables Directive** addressing all renewable gases as well as electricity – in all relevant areas.

The need to base the energy transition on an interplay between gas and electricity and their respective systems in all sectors is becoming more apparent to all those taking an interest as the discussion on related policies matures. The development of gas demand reinforces that clarity.

Outlook for 2017

Gas consumption in the EU-28 is expected to reach 5,280 terawatt-hours gross calorific value (TWh GCV), equivalent to 488.9 billion cubic metres (bcm) or 408.6 million tonnes of oil equivalent net calorific value (mtoe NCV), constituting the annual increase of 5.9%. The first half of 2017 saw a notable growth of gas demand of approximately 6% compared with the same period in 2016. On average, assuming normal weather conditions, the forecast increase of gas in the second half of 2017 will reach 5.4% year-on-year. These estimates are the result of an annual survey carried out by Eurogas amongst its members, covering 84% of the EU gas market.

Eurogas is an association representing 45 companies and associations engaged in the wholesale, retail and distribution of gas in Europe. Eurogas provides data and information relevant to EU decision makers and opinion formers in making the right policy choices.

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