

Minutes of the Executive Board meeting

16th of March 2023

Start & end of the meeting: 09h00 – 13h00

Venue: MARCOGAZ Premises, Rue Belliard 40, 1040-Brussels & Web-conference

Attendants: Liam Nolan (President), Manuel Coxe (Secretary General), Stefano Cagnoli, Thierry Chapuis, Daniel Czeto (replacing Rastislav Nukovic), Anne-Sophie Decaux, Francisco de la Flor Garcia, Kris de Wit, Frank Graf, Antony Green, Mattias Hanson, Arto Korpela, Dimitrios Kourkouraidis, Alvaro Laranjo, Thea Larsen, Ion Manescu, Diego Modolell, Agnieszka Ozga, Katarzyna Polarczyk (replacing Sylwia Gladysz), Francisco Schar (replacing Naiara Ortiz de Mendibil), Ioannis Tsiblakis, Jose Miguel Tudela Olivares, Steven Van Caekenberghe, Uwe Wetzels, Jeroen Zanting.

Apologized: Stanislav Kazda, Aaron Petersen and Alexander Schwanzer (Vice-President).

1. Opening of the Session

The President welcomed the Members and opened the meeting.

1.1. Quorum and approval of the agenda

The quorum was reached as 19 Executive Board Members out of 21 were present or represented. The proposed agenda was approved without modification.

1.2. Welcome to new attendants

The President welcomed Aaron Petersen (in absentia) as representative of the new MARCOGAZ Member Energinet. The President welcomed Agnieszka Ozga for attending the Executive Board meeting for the first time as the new representative of Gas System in MARCOGAZ. The President also welcomed Katarzyna Polarczyk from Polska Spółka Gazownictwa sp. z o.o., replacing Sylwia Gladysz.

1.3. Approval of the Minutes of 15/12/2022

The Minutes of the Executive Board Meeting of 15/12/2022 were approved without modification.

1.4. Update on decisions of the last Executive Board meeting

The President informed the Members of the Executive Board that the decisions taken in the last meeting regarding the 55th MARCOGAZ Anniversary were implemented (further information under point 4.3.). The Members of the Executive Board were also informed that an official call was sent to all MARCOGAZ Members to collect individual or joint proposals for hosting the EGATEC 2024 and that there was an expression of interest from DVGW & Gas.be (more details under point 4.4.).

The President reported that an exemption of the payment of membership fee in 2023 by the two Ukrainian MARCOGAZ Members was proposed and accepted by the General Assembly and that the approved revised budget was presented and approved by the General Assembly for approval in December 2022.

The President notified the Members of the Executive Board that the project “*EU Taxonomy for Sustainable Activities Project*” is ongoing and that the results will be shared and discussed with the WG Distribution for review prior its finalisation.

The President informed that Massimiliano Capezzali was nominated as Chair of the WG Sector Integration and that the previous work of the WG is being compiled in order to restart the activities.

The President notified the Members of the Executive Board that Francesco Arena and Virginia Sanchez started as permanent employees at the MARCOGAZ Secretariat right after the end of their traineeship.

2. Legislations on infrastructure for H2, biomethane and CO2

This point of the agenda was postponed for future meetings.

3. Presentations of the Standing Committees & Annual Program 2023

3.1. Standing Committee Gas Infrastructure (SCGI)

The Chair of the SCGI informed about the last meeting held on the 23rd of January 2023 where the best way to organize the work of the WGs under the SCGI and the work on ‘Provision of new gases’ (under SCGU&H2+) was discussed. During that last meeting, SCGI also approved the document “*Seveso directive implementation in UGS*” for internal publication and the roadmap for 2023 was reviewed, where some topics were disregarded for the work programme 2023 (for example CO2 transmission and measurement). The Chair of SCGI referred that the positions for chairmanship for the currently hibernated groups, namely WG LNG and WG Storage, are still vacant.

For what concerns the TF H2, the Chair of the SC informed that it was agreed to insert a disclaimer in the MARCOGAZ report to leave a margin for the analogous study that was performed by ENTSO-G. The Chair reported that H2GAR is also working on some similar topics. The TF H2 study is now addressing the distribution part, after which further cost data build up and verification will be performed. The finalisation is expected in the first quarter of 2023.

It was referred that the WG Distribution is working on updating and merging the EGAS B and KPI reports into a single report on safety, and that it is also planning a technical webinar on biomethane in Paris.

The Chair referred that WG Transmission is in the process of finalizing a questionnaire on hydrogen regulation at national level and it is also finalising the document “*Gas transmission pipeline safety*”.

The Chair referred about the WG Odorization that is updating the document “*Natural gas odorization practices in Europe*” and working on the new document “*Odorization of natural gas/hydrogen mixtures and pure hydrogen*”.

The Chair of SCGI also informed the Members of the Executive Board that the WG Gas Metering is gathering information about measurement of non-conventional gases through a questionnaire and that it is working on the management of meters during their life cycle.

The WG Storage produced a document “*Seveso Directive implementation in UGS*”, based on answers received from 9 countries, which will remain internal and help the Members in their discussion with national authorities.

The next SCGI meeting will take place on the 19th of April 2023.

3.2. Standing Committee Gas Utilisation and New Gases (SCGU&H2+)

The Co-Chairs of SCGU&H2+ referred that the last meeting was held on 14th of February 2023, where the following topics were addressed: ECO design & energy labelling forum happening in April 2023, where MARCOGAZ will be represented by Patrick Milin and Stephane Rossato; a workshop on PEF, where MARCOGAZ was represented by the Chair of the WG Energy Efficiency, Florence Khayat; the CLASP report *“Exposing the hidden health impacts of cooking with gas”*, for which CEN/TC49 on Gas Cooking Appliances would be contacted and the topic will also be addressed by WG Installations. Moreover, the Co-Chairs informed that TF H2 study was discussed and there will be exchanges between experts to check end-use assumptions of the study.

For the WG Gas Quality, it was referred that Jose Lana was appointed as MARCOGAZ liaison officer for CEN/TC 234/WG 11 on Gas Quality and CEN/TC 408. The WG is also following the work done at CEN level on the standard EN16726:2015 and there was no feedback yet on the intended use of MARCOGAZ position paper on Wobbe Index. It was also discussed the proposal to build a database on LNG quality in Europe within MARCOGAZ for which the final scope would be agreed by next meeting. It was also reported that the number of Members supplying data should be significant enough to have robust figures and to have an equal and shared effort coming from all the Members.

It was notified that the WG Energy Efficiency discussed the the proposal of reducing the PEF value from 2.1 to 1.9; the Energy Efficiency Directive and its ambitious new targets; the Energy Performance of Buildings Directive and the concerns related to zero emissions building definition (for new building would apply by 2030 and for existing by 2050); the possible ban of fossil fuel by 2029 and the Eco-design and Energy Labelling Directive and its implications.

The Co-Chairs of SCGU&H2+ informed the Members of the Executive Board that WG Gas Installations had its meeting on the 15th of March and discussed EGAS C report. Data collection until now was unsatisfactory and outdated so it was agreed to relaunch its collection through a MARCOSTAT, asking for more recent data (2020 to 2022). Data collection for the questionnaire on maintenance of appliances was unsatisfactory due to low number of countries that answered. There were only few answers received so far to the Questionnaire of Fair Competition between energies- Domestic sector. The Co-Chairs of SCGU&H2+ informed that there was an idea of working on blending NG/H2 and H2 issues related to safety aspects. Finally, the Co-Chairs updated the Executive Board on the CLASP report.

It was referred that WG Sector Integration will resume its work approximately in the beginning of April, and that for the moment the agenda includes an EC’s White Paper on *“Coupling of heating/cooling and electricity sectors in a renewable energy driven Europe”*. Also, suggestions from WG members will be gathered in order to elaborate a White Paper from the WG.

An update on the Project: *“Provision of new gases – technologies, integration in the gas systems and climate impact”* that will serve to initiate the WG H2, BioCH4 & SNG was provided. Now 7 experts joined the project, and a kick-off meeting will be organized soon.

The next meeting of the SCGU&H2+ will be held on the 24th of May 2023.

3.3. Standing Committee Sustainability (SCS)

The Chair of SCS referred about the work of the WG HLS, whose deliverable for 2023 will include a technical note on “*black powder and mine dust*”; the document on “*Health effects of hydrogen and natural gas*”, “*benchmark report on safety*” - single year data from 2019 to 2022 (for which the call #3 in MARCOSTAT was created to gather data for the study) - and an update of the document “*Optical and electronical radiation – phase 2*”. For 2024, the documents “*Naturally occurring radioactive materials NORM*” and the update on “*Good practices on health and safety in the Gas industry*” are foreseen.

It was also notified that the CLASP report “*Exposing the hidden health impacts of cooking with gas*” was addressed to see if counterarguments can be identified from the experts of the WG, or otherwise to ask other experts in Members companies’ departments. Likewise, discussion on Contractor Safety Management in the 3 phases of pre-qualification, tender and execution was carried out, and there is a preparation of a template to gather information from members in the scope of compliance with ISO 45001 in order to evaluate effectiveness of measures taken to prevent accidents/ incidents. The WG will also be addressing the topic of education and training of the workforce especially related to the handling of H2.

The Chair of SCS referred about the ongoing activities of the WG ME+ comprising CEN and ISO standardisation, follow up of OGMP 2.0, internal evaluation of the data that is submitted to OGMP (so far 26 companies), correlation factors aiming to the revision of EN 15446 with factors more suited to the mid and downstream gas industry. Likewise, an update on the activities in the scope of the Methane Emissions Regulation was given. The nine BATs on venting and flaring were finalized and now the WG is preparing an introductory document which will be published on MARCOGAZ website after approval by the SCS and the Executive Board.

An update on the top-down GERG project for reconciliation on methane emissions measurement was provided. For the project hydrogen emissions, the WG decided to draft a document describing the most relevant differences between methane and hydrogen emissions. The Scope 3 project will initialize in the second half of 2023.

The Chair of the SCS presented to the Executive Board the document “*A Methane Target for Midstream Gas Industry*” for approval.

For other projects at SCS level, the Chair referred to EU Taxonomy for sustainable activities to align positions of different TSO’s in reporting. PSG launched an initiative to distribute a questionnaire specific to DSOs in WG Distribution and SCS, to try pave the way for involvement of DSOs in this project.

The Chair of SCS informed that the call for replacement of Frank Dietzsch as Secretary of the SC Sustainability was announced during the last SCS meeting and that the reception of applications was open until the end of February. DVGW proposed David A. Merbecks as candidate for the open position.

DECISION 2023/01: The Executive Board approved the document “*A Methane Target for Midstream Gas Industry*”.

DECISION 2023/02: The Executive Board agreed to nominate David A. Merbecks as the new Secretary of the Standing Committee Sustainability.

4. Administration and Secretariat

4.1. Financial Accounts of 2022

The Secretary General presented to the Members of the Executive Board the Status of the Budget of 2022 as of 31/12/2022 (the presented figures are indicative, subject to modification during the audit process by Deloitte). The approved budget for 2022 expected no loss nor profit. The budgeted income was of 603 (000) €, but 46 (000) € were waived last year from the two members of Ukraine. However, as of 31/12/2022, the total income was **581 (000) €** instead of the expected 557 (000) € given that the received membership fee was 24 (000) € higher than budgeted. The approved expenses were of 603 (000) € while the actual costs are expected to be around 531 (000) €. The total projection is to have a profit of around **50 (000) €** (subject to confirmation after the audit) as a result of the additional income of 24 (000) € and 72 (000) € reduction in cost.

The Secretary General also informed the Members of the Executive Board that the total amount available at the bank as of 31/12/2022 was 1 426 (000) €.

The Members of the Executive Board were notified that the financial audit will be performed by Deloitte in the week of the 3rd of April 2023 and that the Secretary General will distribute the relevant documents before the next Executive Board meeting.

	Approved Budget (26/05/2021)	Received / Paid (as of 31/12/2022)	Expected (Processing)	TOTAL Projection
INCOME	€ 603 (000)	€ 581 (000)*	€ (000)	€ 581 (000)
EXPENSES	€ - 603 (000)	€ - 513 (000)	€ ± 18 (000)	€ - 531 (000)
TOTAL PROFIT/LOSS	0	€ 68 (000)	€ ± 18 (000)	€ 50 (000)**
AMOUNT AVAILABLE AT BANK AS OF 31/12/2022: € 1.426.(000)				

4.2. Status of budget of 2023 as of 10/03/2023

The Secretary General presented the status of the budget of 2023, informing that costs are within expectations awhile only half of the membership fees had been received. Overall, decrease of costs is expected due to reduction in the number of resources in the Secretariat.

The following table shows the budget in detail:

	Approved Budget (26/05/2021)	Received / Paid (as of 7/03/2023)	Expected (7/03 to 31/12/2023)	TOTAL Projection
INCOME	€ 636 (000)	€ 328 (000)	€ 308 (000)	€ 636 (000)
EXPENSES	€ - 710 (000)	€ - 80 (000)	€ - 600 (000)*	€ - 680 (000)*
TOTAL PROFIT/LOSS	€ - 74 (000)	€ 248 (000)	€ -292 (000)	€ - 44 (000)

* Expected decrease of € 30 (000) due to reduction in the number of resources in the Secretariat.

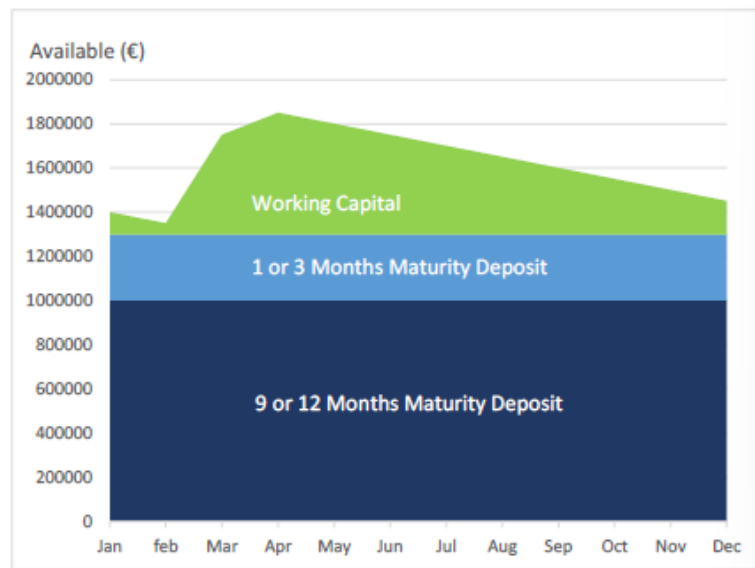
The Secretary General presented to the Members of the Executive Board the proposal for opening of saving accounts with short-term maturity. As inflation has reached 11% in 2022, negative interests were

in place until September 2022 and currently the interest at flexible savings is at 0.5%. The Secretary General discussed with the bank to see different possibilities for MARCOGAZ deposits/investments.

The interest rate for the saving account with short term maturity, ranging from 1 month to 12 months, varies between 1,8% and 3%. There is an option of opening two accounts (3 months maturity for emergency and 12 months maturity for non-emergency). With this, there is an additional income expected of 35.000€ (before taxes). The Members of the Executive Board were advised not to make investments in other products like conservative ETFs as it is not convenient for an AISBL.

In terms of values to be deposited in the saving accounts, around 1 300 (000) € could be considered: 300 (000) € for 1 or 3 months maturity and 1 000 000 € in 9, 11 or 12 months maturity. The working capital will be kept in the current accounts and flexi deposit accounts.

More information in the graphic bellow:



DECISION 2023/03: The Executive Board agreed on opening MARCOGAZ saving account accordingly.

4.3. Organization of 55th MARCOGAZ Anniversary

The Secretary General informed the Members of the Executive Board about the communications updates regarding the 55th MARCOGAZ Anniversary including the new official logo in use, dedicated page on the website and a social media campaign for the 55th Anniversary to be developed over the year.

The Members of the Executive Board were informed that formal invitations were sent to MARCOGAZ's Members and Stakeholders and that 135 participants are expected, mostly comprising MARCOGAZ experts from working groups and Standing Committees.

4.4. Organization of EGATEC 2024

The Secretary General informed the Members of the Executive Board that MARCOGAZ received an expression of interest from DVGW and Gas.be to host EGATEC 2024. The Members of the EB were notified that the call for the event hosting organisation proposals is still open until the end of March 2023 and that a meeting will be planned with GERG to discuss the proposals (to be) received by the deadline. The Secretary General also pointed out that there has been no discussion on a criteria for selection in case of receiving more than one candidature.

5. Dates of the next meetings

The following dates summarize MARCOGAZ's next meetings:

- **01/06/2023:** Executive Board Meeting and General Assembly - Copenhagen, Denmark.
Welcome dinner the night before (31/05/2023).
- **22/06/2023:** 55th Anniversary of MARCOGAZ (Brussels).
- **13/09/2023:** Executive Board Meeting – Virtual meeting on Teams
- **13/12/2023:** Executive Board Meeting – Zurich, Switzerland (**TBC**).
Welcome dinner the night before (12 Dec. 2023)
- **13/03/2024:** Executive Board Meeting – Dublin, Ireland (**TBC**).
Welcome dinner the night before (12 Mar. 2023)

6. Any other business

The President and Secretary General recapped some previously shared information:

1. The next Madrid Forum is planned for 11-12 May 2023
2. The Danish TSO, Energinet, has become a direct member in MARCOGAZ since January 2023 after being involved for a long time through DGC.
3. During 2023, MARCOGAZ in partnering and participating in several relevant energy related events on topics that are addressed in the working groups.
4. MARCOGAZ Secretariat organised bilateral meetings with ENTSOG, WELMEC, OIML, TAP (Trans Adriatic Pipeline), REN Gasodutos, AFECOR and the Canadian Gas Association.
5. MARCOGAZ Secretariat is still calling for EGATEC 2024 host and for experts and Chairs of Working Groups LG and Storage.
6. The mandate of MARCOGAZ in the European Clean Hydrogen Alliance Transmission and Distribution Roundtable came to an end (as all others). We are waiting for the outcome of new nominations.
7. Francisco de la Flor informed the Members of the Executive Board about the meeting of the United Nations Economic Commission for Europe Gas Experts Group, taking place on 23-24 March 2023 in Geneva, in which the topics of hydrogen, CO₂, security of supply, methane emissions and Sustainable Development Goals will be addressed.