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**Economic Commission for Europe**

Committee on Sustainable Energy

**Working Party on Gas****Twenty-second session**

Geneva, 24-25 January 2012

**Report of the Working Party on Gas on its twenty-second session****I. Introduction**

1. The twenty-second session of the Working Party on Gas was held on 24 and 25 January 2012.<sup>1</sup>
2. The session was attended by experts from the following ECE member States: Croatia, Cyprus, Czech Republic, France, Germany, Hungary, Italy, Latvia, Netherlands, Norway, Poland, Romania, Russian Federation, Serbia, Spain, Switzerland, Turkey, Ukraine, United Kingdom and United States of America.
3. An expert from Egypt participated under Article 11 of the Commission's Terms of Reference.
4. Representatives of the European Union also participated.
5. The following intergovernmental, non-governmental and other international institutions, companies and organizations were represented: Eurogas, Gas Exporting Countries Forum, International Association for Natural Gas Vehicles (NGV Global) and Natural and Bio Gas Vehicle Association (NGVA) Europe.

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<sup>1</sup> Official documents of the session are available at <http://documents.un.org/>. Selected presentations delivered at the meeting are available on the ECE website at: <http://www.unece.org/energy/se/docs/wpgasx.html>.

## **II. Adoption of the Agenda (agenda item 1)**

6. The provisional agenda (ECE/ENERGY/WP.3/2012/1) was adopted.

## **III. Election of officers (agenda item 2)**

7. The Bureau was re-elected for a two-year term as follows: Mr. Alexander Karasevich (Russian Federation), Chairman, Mr. Francisco de la Flor Garcia (Spain), Mr. Tamas Korosi (Hungary), Mr. Gheorghe Radu (Romania) and Mr. Gilles-Henri Joffre (France), Vice-Chairmen.

## **IV. Matters arising from the twentieth session of the Committee on Sustainable Energy related to the Working Party on Gas (agenda item 3)**

8. The Director of the Sustainable Energy Division advised that ECE is currently undergoing a review of all its programmes of work as a follow-up to the ECE Reform of 2005. He noted that the on-going ECE review, which is due to be completed by end-June 2012, will agree the future activities of the UNECE.

9. The Director informed the Working Party that the twentieth session of the Committee on Sustainable Energy held in November 2011, had not agreed conclusions or recommendations.

10. The Chair of the Committee on Sustainable Energy informed the participants on the outcomes of the World Future Energy Summit 2012, which he had attended in Abu Dhabi, 12-16 January. The UN Secretary-General had called on Member States to address energy poverty and also support innovation that would facilitate sustainable energy development. Renewable energy was highlighted to be a priority for future United Nations activities in field of energy.

## **V. Impact of the liberalization of the natural gas markets on gas demand and prices (agenda item 4)**

11. The Director of the Sustainable Energy Division indicated that the ECE study “The impact of liberalization of natural gas markets in the UNECE region: efficiency and security”, would, after final editing and formatting, be made available on the ECE website as an e-publication during the first quarter of 2012.

## **VI. Use of gas in transport (agenda item 5)**

12. A representative of the Russian Federation provided an update on the study entitled Joint ECE/IGU World Natural Gas Vehicle (NGV) Report – Strategic Trends for Sustainable Development. The final report, to which 61 experts from 52 companies from 24 countries contributed, will be concluded by the end of May 2012 and will be presented at the World Gas Conference in Kuala Lumpur in June 2012.

13. The status of the global NGV market was provided, including a breakdown by region (Europe, North America, Africa, Asia and Central and South America) together with the factors responsible for the market growth in each region. The recent market developments and key technological trends demonstrated a positive outlook for the use of gas in transport, including in the ECE region which now has two million natural gas vehicles.

14. It was noted that good results have been achieved in the course of the study «Use of gas for transport». The delegates thanked all contributing organizations and experts for their efforts.

## **VII. Current state and prospects of liquefied natural gas in the region of the Economic Commission for Europe (agenda item 6)**

15. The UNECE expert group on the LNG study presented a progress report, and indicated it was working to complete the study by 30 May 2012. A meeting would be organized with LNG producers prior to this in order to gather their contributions.

## **VIII. Underground gas storage in Europe and Central Asia (agenda item 7)**

16. The Chairman of the ECE expert group on the ECE study on Underground Gas Storage (UGS) in Europe and Central Asia provided a detailed overview of progress on the study, including the objectives and the content of each chapter. The Chairman said that he was dissatisfied with the overall pace of its progress and he requested enhanced secretariat support to complete the work.

## **IX. Review of the activities of other subsidiary bodies of the Committee on Sustainable Energy (agenda item 8)**

17. The ECE secretariat delivered presentations on the following bodies, activities and projects: Gas Centre, Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other

Fossil Fuels, Ad Hoc Group of Experts on Coal Mine Methane, Energy Efficiency 21 Project, Global Energy Efficiency 21 Project, and Expert Group on Resource Classification.

18. The Working Party thanked the secretariat for the information and all stakeholders for their long-standing support of these activities.

**X. Current developments and medium and long-term prospects and policies in the gas industry, including trade of gas (agenda item 9)**

A. Review of the gas situation and prospects in the region of the Economic Commission for Europe

19. Representatives of ECE Governments, gas companies and organizations from the following countries presented reports on the gas industry and gas market operations in 2011: Hungary, Norway, Romania, the Russian Federation, Serbia, Spain, Ukraine and the United States of America. Issues addressed included production, reserves, availability of domestic production, environmental policies, safety and other topics that have an impact on gas industry operations and practices.

20. A representative of Gazprom informed delegates that the Russian and European gas transmission systems are now connected directly via the Nord Stream natural gas pipeline. This new route for Russian gas exports to Europe has lowered the influence of transit risks for Russian exports. The target markets for gas supplies via Nord Stream are Germany, the UK, the Netherlands, France and Denmark.

B. New developments in the European and world market of natural gas vehicles (NGVs) - Blue Corridor and other projects.

21. A representative of the Russian Federation spoke briefly on the progress in implementation of the Blue Corridor and other similar projects, which use gaseous fuels for transportation. The Blue Corridor 2011 rally, which took place in the Russian Federation over a distance of 3,600 kilometres with wide domestic and international participation, was also highlighted.

22. The various fuel corridors that exist and that are likely to be developed were outlined, including “blue” corridors with compressed natural gas (CNG) and LNG in Europe, Asia Pacific and Latin America, biomethane corridors that are emerging in Sweden and Switzerland, and hydrogen-powered corridors that may become a commercial reality in 20 to 25 years time. The HyNor project, a hydrogen road between Stavanger and Oslo, commenced implementation in Norway in 2003.

23. The representative of NGV Global, and NGVA Europe provided a comprehensive update on the key trends in the use of natural gas in the transport sector worldwide. The presentation highlighted the strong growth in the use of both CNG and LNG in the transport sector in the ECE region.

24. An update was provided on the international joint ECE/IGU NGV survey to identify best practices for the installation and operation of fuelling stations serving natural gas vehicles. The survey also aims to develop an understanding of cost reduction opportunities in both the design and operation of the stations, as well as benchmarking.

#### **XI. Ad Hoc Group of Experts on the Supply and Use of Gas (agenda item 10)**

25. The Chairman of the Ad Hoc Group of Experts provided a summary report of the work undertaken in 2011 (see document ECE/ENERGY/WP.3/GE.5/2011/2).

26. The Working Party took note of the information provided and thanked the Bureau and the members of the Ad Hoc Group of Experts for the work carried out.

27. The Director of the Sustainable Energy Division informed the participants of discussions that had taken place at the Committee on Sustainable Energy. The representative of Poland, referring to the on-going review of the ECE, proposed not to change the name of the Ad Hoc Group of Experts before the review is completed and requested a background paper on the proposal. This proposal was supported by the representative of Latvia.

#### **XII. Overview of the activities of other international organizations in the field of gas (agenda item 11)**

28. Representatives of Eurogas and the Gas Exporting Countries Forum presented their on-going activities in the field of natural gas. The Working Party noted with appreciation the information provided.

#### **XIII. Future activities of the Working Party (agenda item 12)**

29. The Chairman provided an overview of the draft programme of work for 2012-2015 (document ECE/ENERGY/WP.3/212/4). No agreement was reached.

30. Experts from Egypt and Romania delivered presentations respectively on the Use of Gas in Electricity Generation (with an emphasis on the significant losses incurred when using gas for

generating electricity) and on “Carbon Capture and Storage in the Gas Industry – Status and Options”. The Working Party thanked the delegations of Egypt and Romania for their presentations;

**XIV. Other business (agenda item 13)**

31. The representative from Enagas delivered a presentation on “The Role of Natural Gas and Gas Infrastructure as an Enabler of the Renewable and Low Carbon Economy”. It was noted that gas brings immediate reductions in carbon emissions, enables renewable energy sources and will contribute to a low carbon economy. Natural gas is the cleanest hydrocarbon fuel, producing much less carbon dioxide or harmful emissions (including particulate emissions) than other fossil fuels, and is a secure and reliable energy source, essential to delivering on climate and energy security goals.

**XV. Dates of next meeting (agenda item 14)**

32. A provisional calendar of meetings was suggested as follows:

- Eighteenth Gas Centre Executive Board meeting – 21 January 2013;
  
- Twenty-third session of the Working Party on Gas – 22-23 January 2013;

**XVI. Adoption of the report of the meeting (agenda item 15)**

33. The report of the twenty-second session of the Working Party will be prepared by the secretariat and then sent to the Bureau of the Working Party and submitted to UNECE Members for comments and approval.

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