

EUROGAS' ANNUAL REGIONAL CONFERENCE: DISCUSSING DECARBONISATION AND ENERGY SECURITY IN SLOVENIA

Representatives of key stakeholders in the European energy sector gathered in Ljubljana, Slovenia for Eurogas' Annual Regional Conference to discuss the future of gaseous energy, an important topic, especially given the current geopolitical context. Natural gas is a low-carbon fuel that will greatly contribute, along with renewable gases, to a successful green transition. This year, the Annual Regional Conference took place with the kind support of Geoplin, a Slovenian supplier of natural gas active in the country and region.

Ljubljana, 15 March 2024 – To reach our climate goals, we will have to take advantage of a variety of solutions, across the board. For decarbonising the energy sector, renewable and low-carbon fuels will play an important role in the global energy mix. Of these, renewable fuels are beneficial because they can be readily applied in already-existing infrastructure. Natural gas also has several advantages, such as relatively clean combustion, easy production, and broad applicability. These solutions can be used for heating homes, transportation and electricity generation, as well as in industrial processes. They have thus been recognised as key sources for the transition to net-zero GHG emissions in 2050. The Annual Renewable Conference stressed the importance of regional cooperation and strategies for the diversification of energy sources, which can help reduce dependence on single suppliers and improve European energy security. Experts agreed that only through cooperation between governments, industry, and civil society can the formulation of policies and strategies for a decarbonised future for gas be achieved.

The role of renewable energy sources for decarbonization

The renovated proposal for the Integrated Slovenian National Energy and Climate Plan for 2030 predicts an increased share of gaseous RES fuels, such as hydrogen and biomethane, to achieve a share of 10 to 30% of gaseous RES fuels in the total gas supply, 5% of which should come from Slovenia.

Many EU countries have made hydrogen strategies, and it is expected that the overall production of green hydrogen in the European Union will increase significantly by 2030. We need to continue to encourage this potential with positive regulation that will scale up the hydrogen market, contributing necessary carbon emissions reductions in the process.

Similarly, Eurogas said, "Today, 3.5 billion cubic metres of biomethane are produced in the European Union. In order to scale this up, we must make the 35 bcm target set out in REPowerEU binding, which will increase production." Sustainable biomass should also be used, and at least 5,000 new biogas plants will have to be built. From a technical point of view, this can be realised in the next seven years. However, ensuring the promised levels of investment requires appropriate policies, stable framework conditions and lasting end uses.

In addition to renewable fuels, natural gas will remain an important tool for the decarbonisation of the energy sector. The future of energy will involve a combination of different sources. We are preparing for that on the strategic and operational level, as our goal is to provide the best possible supply to our customers," concludes Matija Bitenc, General Manager of Geoplin, who hosted the conference in Ljubljana.

Natural gas in the transition to greener energy

A changing geopolitical situation has forced the entire EU to reconsider its energy sector strategy, particularly as it concerns resourcing its natural gas flows. EU Member States possessing LNG infrastructure could lean strongly into this, while some, like those in Central Europe, had no such option. Slovenia took advantage of two active neighbouring natural gas markets (i.e. Austrian and Italian) to diversify its supply. With the stabilisation of the energy market, natural gas can continue to play this role in the future. During times such as these, Geoplin has been able to resolve its supply challenges with its decisive actions and retains price flexibility which allows it to offer competitive pricing to its customers.

Slovenia has in place a mid-term supply contract for Algerian gas that Geoplin concluded with Sonatrach, while maintaining purchasing activities in neighbouring markets. “Natural gas plays an important role in the green transition as a ready solution for already-available infrastructure, especially for industry, and consequentially the economy. While further diversification of supply sources remains our primary focus to preserve national security of supply, Geoplin will remain active in neighbouring markets and develop alternative energy sources in line with its development strategy,” says Matija Bitenc, General Manager of Geoplin.

He adds: “We estimate that the consumption of natural gas in Slovenia will increase further as we transition to completely renewable energy sources, because of the compatibility of their infrastructure. After the closure of the thermal power plant and until the construction of a new nuclear power plant in Slovenia, if this decision is accepted, natural gas will be the most important solution for filling the gap we might face in energy supply and ensuring the stabilisation of the energy system, and certainly also at appropriate prices for the competitive industry.”

It is expected that the need for clean energy will be even more relevant due to environmental challenges caused by climate change. Depending on the development of technology and efforts to reduce greenhouse gas emissions, the role of gaseous energies may undergo changes. We could witness further deployment of gaseous solutions while we transition towards more sustainable and renewable energy sources.

