



19 NOV

Emissioni di metano



**EFFICIENZA
IN RETE**

*Il Ruolo dell'Italia per la riduzione
delle emissioni di metano della
filiera del gas naturale*

Leonardo D'Acquisto

19.11.2020

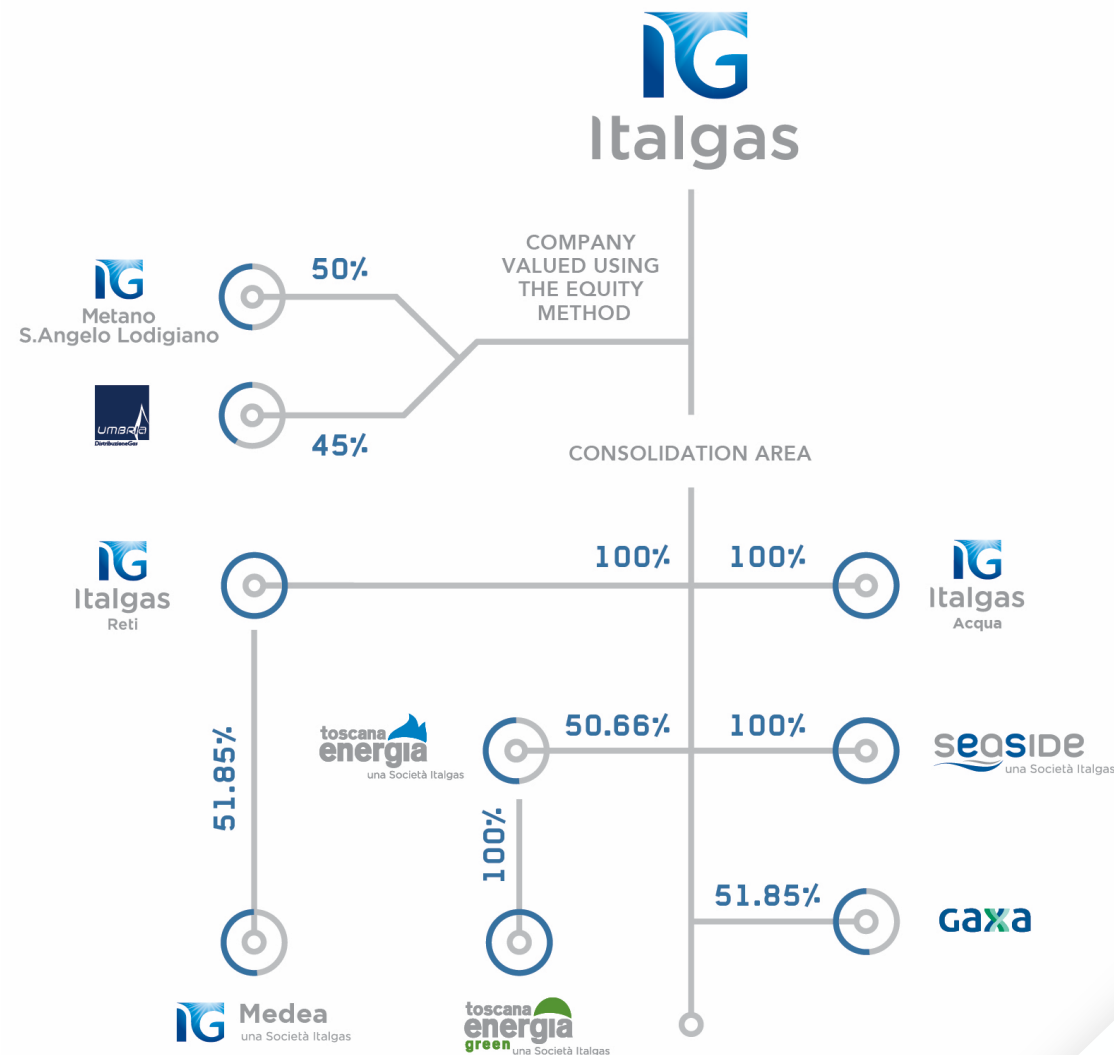


ITALGAS

Structure & Operational data

	Main Operational Data	Of which Operated companies
Network lenght	72.667 km	1.871 km
Municipalities	1.886	61
Delivery Points (PDR)	7,74 mn	0,15 mn
Market share ⁽¹⁾	35%	0,1%

(1) On Delivery points



SUSTAINABILITY

New strategy embeds sustainability

Sustainability Plan 2019-25

5 STRATEGIC PRIORITIES

47 SUSTAINABILITY ACTIONS
81% COMPLETED



ENVIRONMENT

- **Emission reduction**
- Energy efficiency
- Digitization to enhance and optimise grid management and maintenance (gas and water)
- Facilitate green gases usage
- Sardinia methanisation to replace more polluting fuels
- Transfer of knowledge to other grid businesses
- Green and sustainable finance

SOCIAL

- New policies on Corporate Citizenship, Human Rights, Diversity and HSQE
- Workforce empowerment and safety, considering also Covid-19 implications
- Extension of Work on Site App to all construction sites
- Harmonise processes with sales companies
- Get closer to the end-consumer
- Promote social innovation with educational projects (digital divide, energy culture projects)

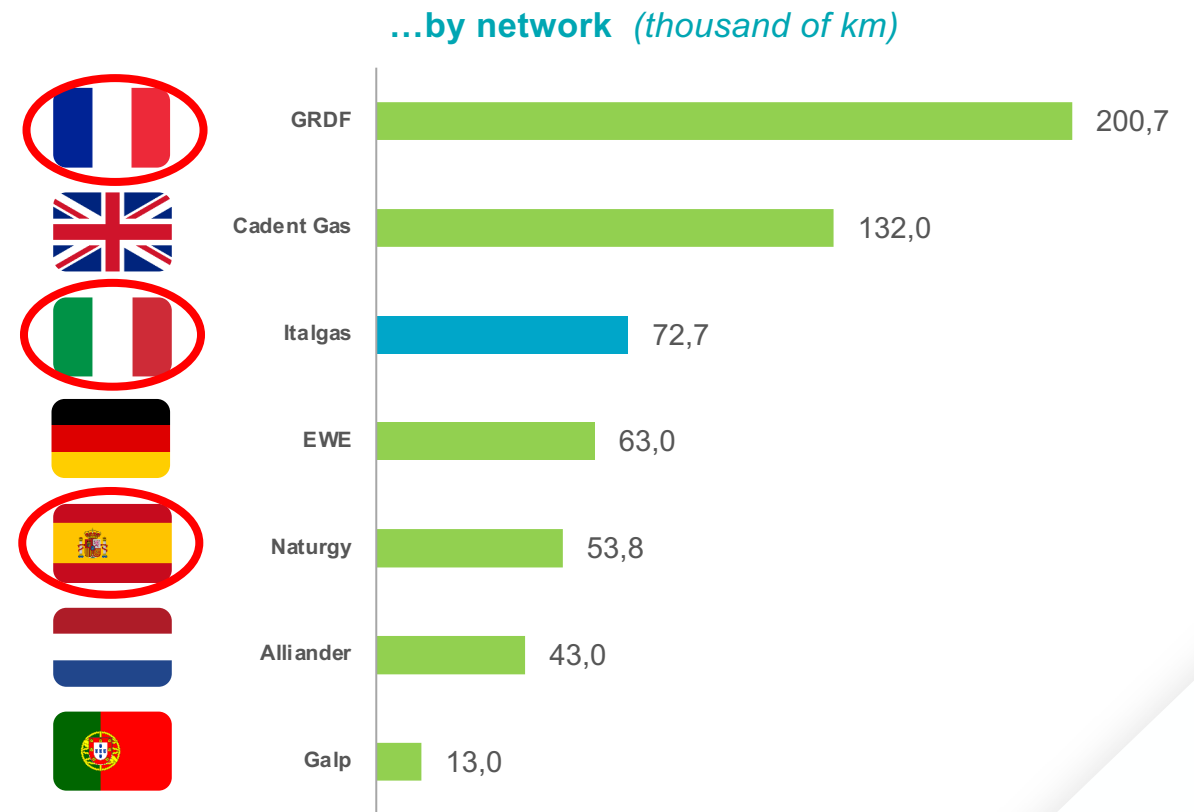
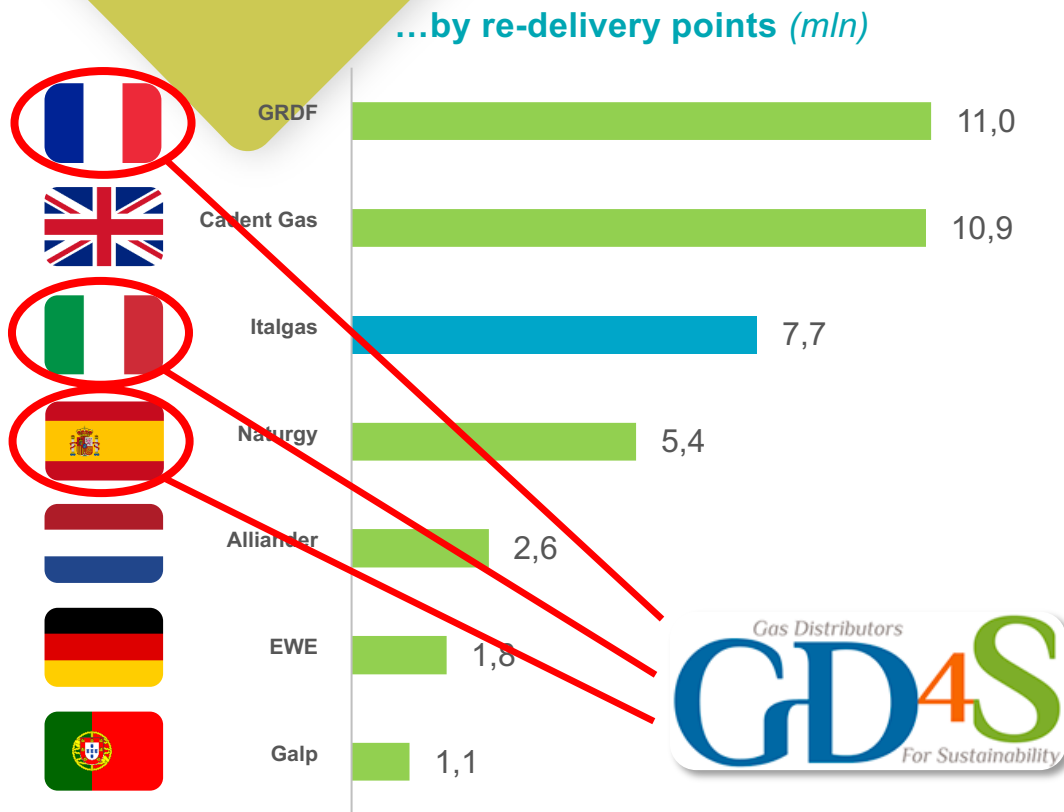
GOVERNANCE

- Integrated annual report commitment (2020 FY results)
- Sustainability KPIs in the remuneration scheme of CEO and top management
- Integration of ESG and climate risks in the Enterprise Risk Management
- Sharing of sustainability best practices among DSOs (through GD4S)

SCENARIO

Gas Distribution Market in Europe

Italgas is one of the three major players in the European natural gas distribution market



Source: Italgas elaboration on company data 2019; Italgas data is updated on 1H 2020

Note: (1) EWE is an integrated municipal company covering transport, distribution and sale activities. Data refers to the overall gas perimeter (not available separated breakdown for distribution)

GD4S

Approach to Methane Emissions

A new paradigm founded on four pillars

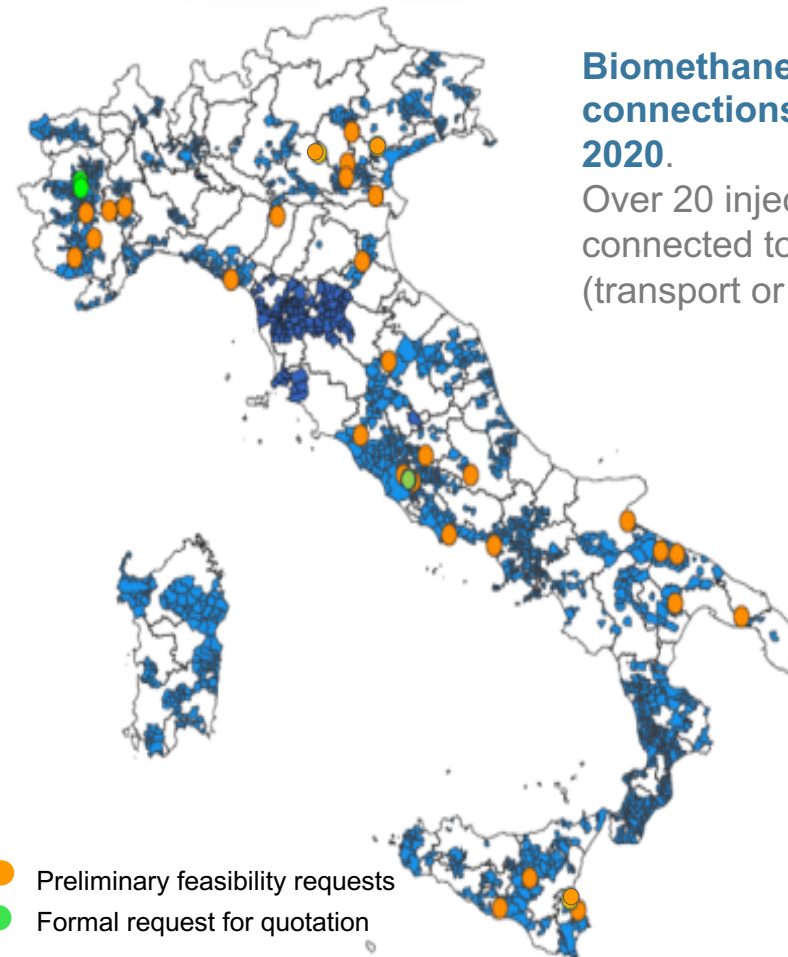
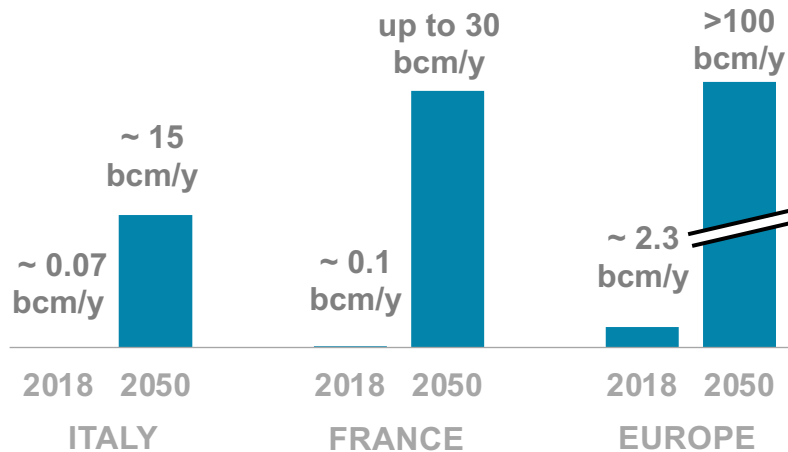


RENEWABLE GAS

Biomethane
the closer viable
green option

Technology development and regulatory support are fostering biomethane

Expected biomethane production⁽¹⁾



Biomethane network connections jumped in 2019-2020.

Over 20 injection points are connected to the Italian gas grid (transport or distribution)

(1) Snam scenario on bio-methane, France data Italgas elaboration

POWER TO GAS

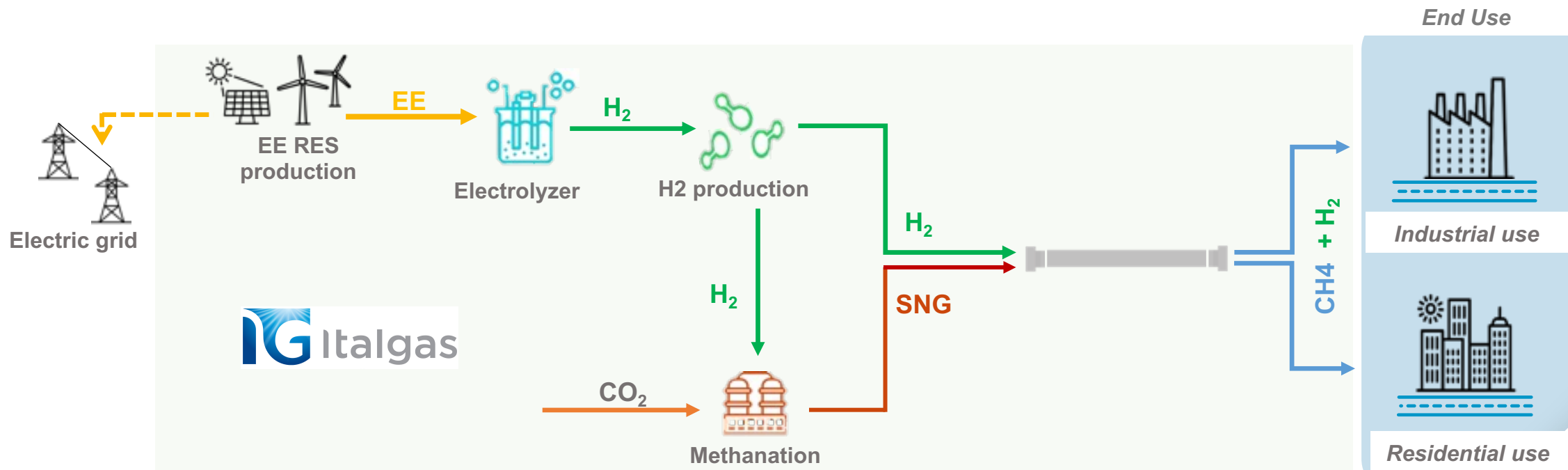
Preparing for the future

PILOT PROJECT

- Realisation of a pilot power-to-gas project using excess renewables energy in collaboration with industrial partners, the Polytechnic of Turin and the University of Cagliari

ADVANTAGES

- ✓ Small scale initial investment with potential for ramp up
- ✓ Exposure to the whole value chain of green hydrogen production
- ✓ Evaluate implications of hydrogen transport on gas distribution equipment and network
- ✓ Project eligible for European funds



DIGITIZATION

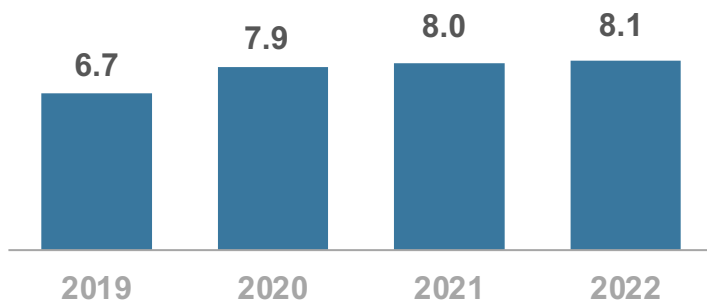
Assets, some numbers

Targeting digitization of the whole network by early 2022

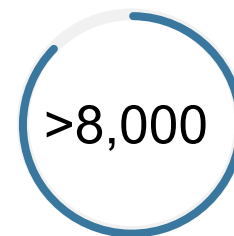
Smart meters[📶]



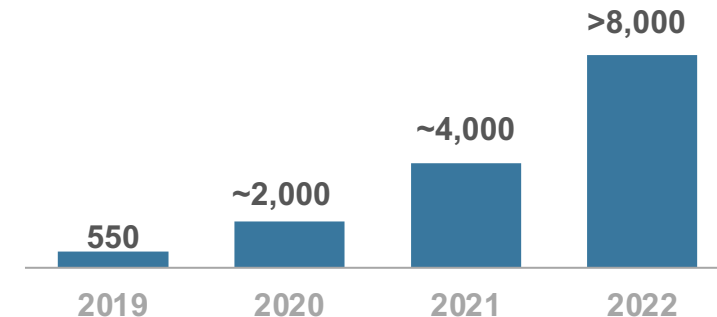
of installations (mln)



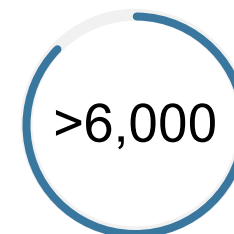
Digital GRF[📶]



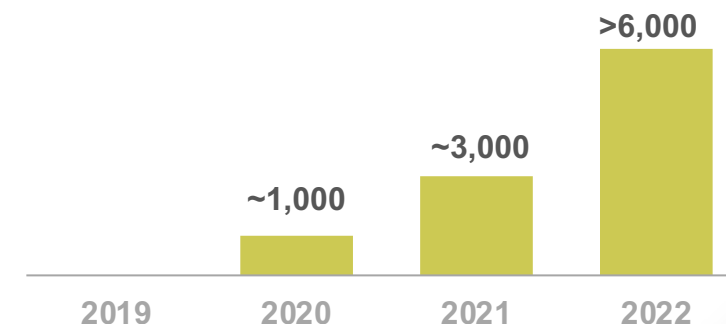
of installations



Network end points[📶]



of installations



+2,000 odorization stations, gas analysers, subnetworks valves

LEAK DETECTION

Methane emissions

Picarro has transformed Italgas' ability to detect, control and reduce methane emissions!



2019	As of 08/2020	PLAN PERIOD
<ul style="list-style-type: none"> Length of inspected gas network: <ul style="list-style-type: none"> 16,111 km for Italgas Reti 4,070 km for Toscana Energia Success rate 88 % (percentage rate between reported leaks and actual leaks) 10,319, the number of repaired leaks out of 20,181 km of the inspected gas network 	<ul style="list-style-type: none"> Length of inspected gas network: <ul style="list-style-type: none"> 35,303 Km for Italgas Reti 4,394 Km for Toscana Energia Success rate 74% (percentage rate between reported leaks and actual leaks) 21,368, number of repaired leaks out of 39,697 km of the inspected gas network 	<ul style="list-style-type: none"> Progressive reduction of LISA¹ emissions (LISA/km) Increased attention on super emitters Reduction of time for maintenance of leaks (1/3 compared to ARERA standards) Reduction of max time for detection of LISA (max 10ds)
<div style="border: 2px solid blue; border-radius: 50%; padding: 20px; width: fit-content; margin: 0 auto;"> <p>ANNUAL INSPECTION OF THE WHOLE NETWORK</p> </div>		

(1) LISA – Leak Inspection Surveyor Area

Italgas' commitment

Final goals

- 1 Be a "Prime Mover" in setting rules and procedures for MEs monitoring, report and control
- 2 Gain UNEP's "Gold Standard"
- 3 Improve sustainability indexes ranking

Join formally OGMP by signing a cooperation MoU (no more than 10 gas DSOs joined OGMP worldwide)

Participate to the Steering Group Midstream and Downstream, the Mirror Group and the Task Forces to face technical issues

Italgas' CEO to formally represent the whole downstream sector in the OGMP 2.0 Launch Event on November 23rd, 2020

Ambition to:

- *Reduce grid leaks on the base of experimented innovative technologies with extraordinary effectiveness (Picarro)*
- *Achieve an emission reduction target consistent with 2020-26 Strategic Plan (>20% lower CH4 emissions by 2026; yet to be negotiated with UNEP)*
- *Pave the way for other gas DSOs towards a more efficient and reliable approach to effectively control, manage and reduce emissions*



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THANK YOU

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