

Press Release

Change must be the order of the day for EU energy policy

Jean-François Cirelli (GDF SUEZ), President of Eurogas, put the case for reform of EU energy policy to be more favourable to gas in an address to the association's General Assembly on 5 July 2013. Mr Cirelli, in his remarks, underlined that "insufficient regard to cost-efficiency and the lack of a clear signal on the carbon price is a major drawback of the 2020 framework that does not support gas. We can do this better for 2030 and restore the case for gas."

The existence of the EU climate and energy 2020 framework has undoubtedly raised awareness and encouraged climate action in many parts of European society. However, due to high costs, industry, in common with many other parts of society, is reticent with regards to replicating the 2020 framework for 2030. Gas has lost market share to coal, and as a consequence carbon dioxide emissions have gone up in some Member States.

"The economic crisis has reinforced the cost issue, but this should not throw the EU into paralysis because inaction would be even worse," said Eurogas Vice-President Gertjan Lankhorst (GasTerra) who hosted the event in Amsterdam at which Jos Delbeke of DG ENER as well as the CEOs and Secretaries General of other organisations joined Eurogas members for debate. "Inaction will make the EU lose momentum and increase the cost of effective climate action due to either deferred action or fragmentation by Member States going different ways. Moreover, the **much needed private investment in the energy sector will not be forthcoming until it is clear where policy is heading.** Investors will be deterred from contributing to replacing old power generation capacity, ensuring sufficient backup capacity for electricity from variable renewables and building missing links in the electricity and gas networks," explained Mr Lankhorst.

Eurogas members are unanimous: **For low-carbon energy supply to be both competitive and secure, a technology-neutral approach must be chosen and applied in full compliance with internal market rules.** This should be one of the major features in the 2030 framework and complemented by the full implementation of the internal energy market. **"It is not a question of gas versus renewables,"** said Mr Cirelli **"but a question of which technology or technique reduces greenhouse gas (GHG) emissions most cost-effectively at a particular moment in time – it could also be energy efficiency."** We will find out by putting all options into fair competition with each other under a GHG emissions reduction target. Such a scenario is only possible in the future in the absence of further support schemes for mature and demonstrated technologies. **"Whether it is in power generation, heating or transport, gas is currently the most cost-efficient way of reducing GHG emissions in most cases,"** added Mr Lankhorst. He went on to point out that: "As the emissions cap comes down, it will become more difficult for gas, as it will have to prove that it, too, can change with the times. But there is great future potential for gas. This potential is in carbon capture and storage, power-to-gas (turning excess electricity into synthetic gas), biomethane and transport. In addition, it is essential that gas appliances become even more efficient and flexible to work with renewables, which are, after all, an indispensable and growing component of any future energy mix."

Eurogas has sought to visualise the sector looking to the future by refreshing its logo and website. The web address for our vision, views and news has, of course, stayed the same: www.eurogas.org

Note to Editors: Eurogas is an association representing about 50 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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