

The gas sector is key to delivering on the Green Deal

- Gas – natural, renewable and decarbonised – is integral to achieving climate neutrality by 2050 and increased GHG reduction targets for 2030, which Eurogas supports.
- A realistic and affordable energy transition will require the EU to remain part of the global energy market, to enable clean energy imports.
- Facilitating market uptake for renewable and decarbonised gases requires a dedicated binding technology neutral EU-level target for them.
- A harmonized framework for Guarantees of Origin is also necessary for their market uptake.
- 2030 and 2050 targets rely on smart sectoral integration – electrons and molecules both have a role to play.
- The industrial strategy should strengthen EU leadership for EU jobs in climate technologies.
- A robust ETS is key for market-based price signals to drive decarbonisation efforts.
- EU leadership on climate change mitigation requires an exportable decarbonisation pathway.
- Further tackling methane leakage will strengthen the effectiveness of gas in decarbonisation.

Eurogas supports the European Climate Law:

Only a cost-effective combination of all decarbonisation options can deliver EU 2050 climate neutrality. Gas – natural, renewable and decarbonised – must be part of the solution. The European Climate Law should set out a clear pathway for renewable and decarbonised gas towards 2050, with ambitious and realistic intermediary targets for 2030 and 2040. A credible plan for scaling all decarbonisation options is instrumental. Ensuring EU leadership on climate change mitigation requires a decarbonisation pathway that can be exported to other parts of the world. A realistic and affordable energy transition will also require the EU to remain part of the global energy market, to enable clean energy imports. The 2050 pathway must include natural, renewable and decarbonised gas in combination with carbon capture utilisation and storage.

Eurogas supports increased 2030 GHG reduction targets that consider:

Investor certainty: Eurogas supports higher decarbonisation ambitions for 2030 and sees them as an additional opportunity to demonstrate the central role of natural, renewable and decarbonised gas in achieving the GHG reduction targets. Eurogas stresses that stability and predictability of EU policy must be maintained from an investor perspective.

Environmental and social responsibility: Increased 2030 targets must be accompanied by a social, economic and environmental impact assessment that shows that these can be achieved in a responsible way. Increased targets should therefore be accompanied by complementary measures that would enable deeper and quicker GHG reductions than foreseen in the Clean Energy Package.

Market revisions: Revising the internal gas market rules will be essential to contribute to this ambition (e.g. gas decarbonisation targets; inclusion of renewable and decarbonised gas in TEN-E). Additionally, quick and sustainable decarbonisation wins can be achieved through coal and oil to gas switching in power generation, industry, transport and heating. New investments in cleaner technologies should be given comfort that they will not be shut down or penalised by arbitrary administrative decisions, not driven by market dynamics, during their usual investment cycle.

Inclusivity: The buildings renovation strategy requires affordable solutions that cater to all, particularly vulnerable consumers. Phasing out coal and oil heating and replacing it with efficient gas appliances is a no-regrets approach to decarbonising heating. Gas condensing boilers can bring immediate emissions reductions and air quality improvements. These appliances enable further decarbonisation of heating thanks to renewable and decarbonised gases injected in the grid.

Low hanging fruit: Emissions reductions in road and maritime transport can be achieved by switching to natural gas, hydrogen and biomethane. A stepwise approach will be more advantageous if part of a credible strategy for the concerned regions and sectors to gradually transition to renewable and decarbonised forms of energy by 2050. The introduction of new Emission Control Areas (e.g. in the Mediterranean), could be a first step requiring international cooperation.

Eurogas supports Smart Sector Integration for gas decarbonisation including:

Joint gas and electricity infrastructure planning: Delivering on EU ambition will require a comprehensive regulatory framework for both electrons and molecules. Smart sector integration must be driven by commercial choices and enabled by joint electricity and gas network development plans at national and EU level, i.e. a sound and transparent TYNDP process. Increasing decentralisation in both electricity and gas will require a greater voice for the distribution system operators in planning and market coordination of decentralised sources.

Mainstreaming smart sector integration in EU policy: Smart sector integration should also guide the upcoming decarbonisation strategies (national like the NECPs and European like the upcoming offshore wind strategy). It should recognise the potential of power-to-gas for fully exploiting the EU's renewable energy potential. Power-to-gas offers system flexibility, long-term energy storage and cost-effective transportation over long distances.

Delivering positive externalities: Gas can help avoid methane emissions in sectors such as agriculture, for instance through improved manure management for biogas production. Avoiding these emissions and injecting purified methane allows up to 206% reduction of GHG emissions compared to a fossil fuel. By-products from biogas production displace chemical fertilisers and biogas can help to improve soil quality and productivity through intermediate and cover crops.

Gas Offers a chance for EU industrial leadership and jobs in climate technologies:

Europe is home to pioneers in gas decarbonisation technologies, such as hydrogen, biogas, biomethane and carbon capture technologies. The EU has a natural industrial advantage for this dimension of the energy transition, and it should not squander this as has happened in other sectors in the past. A sound and ambitious EU Industrial Strategy should aim towards large scale development of the gas technologies that Europe and countries around the world need to fight climate change. Leadership in manufacturing climate change technologies will increase the level of public support for our climate ambitions, by repaying Europeans with high quality non-seasonal jobs.

Eurogas supports a robust ETS that sends right market signals:

The current ETS is already a driving force in coal-to-gas switching, beyond individual national commitments to phase out coal, and in the decarbonisation of industry. Recent analysis on the European power sector demonstrates that, in 2019, coal generation collapsed by 24%, with gas replacing around half of the coal. Emissions in the power sector fell by 120 million tonnes (12 %). It is essential that the robustness of the ETS is maintained and that the advantages of alternative sources such as renewable and decarbonised gases are recognised.

Eurogas is committed to further tackling energy related methane emissions:

As a signatory to the Methane Guiding Principles, Eurogas is working with this coalition of industry, international institutions, non-governmental organisations and academics to further tackle energy related methane emissions. At the DSO level, an essential component of European gas infrastructure which is represented by Eurogas, this is already well underway today through leak detection and repair (LDAR). LDAR ensures, through a constantly evolving array of technologies such as drone detection, a safe and reliable grid in line with the DSO's public service mission and technical regulation. Eurogas welcomes the ambition from NGOs, industry and regulators, notably highlighted in the recent Bridge Beyond 2025, to commit further efforts to methane emissions reductions. In this context, a discussion on reviewing the responsibilities of a DSO would be opportune to consider including a focus on sustainability in its activities.