

Eurogas supports the 2030 Climate Target Plan and advocates for a policy framework that helps deliver its objectives

Eurogas is committed to achieving the objectives of the Paris Agreement and supports the EU's ambition to reach climate neutrality by 2050. The European Commission's recent Communication 'Stepping up Europe's 2030 climate ambition', sets a GHG emissions reduction target by 2030 of at least 55% including emissions and removals. Eurogas supports that ambition and recognises that meeting EU climate targets requires a suitable 2030 policy framework, that delivers an energy mix that is both economically and environmentally sustainable, and which guarantees security of supply.

Many studies have shown that meeting these targets in the most cost-effective way requires a strong role for gas – natural, renewable, and low-carbon – in the decarbonisation of every sector, including buildings, industry, power, and mobility as well as agriculture. Eurogas considers the following elements as essential to put Europe on track to meet the objectives of the 2030 Climate Target Plan.

Meeting the 2030 Climate Target Plan objective, requires the decarbonisation of the EU gas system to start without delay. Targeted and concerted action is needed.

- A binding 2030 EU target to reduce the GHG intensity of gas consumed in Europe by at least 20%, compared to 2018, using renewable and low-carbon gases alongside a binding 2030 EU target of at least 11% of renewable gas in terms of energy content of gas consumed, to foster the large-scale development of renewable gas.¹
- To support the rollout of renewable and low-carbon gas, a harmonized approach is necessary to ensure transparency and enable the trading of Guarantees of Origin (GOs) across the EU. The various national standards for GOs should be harmonised according to a European blueprint, which should cover renewable gas as well as low-carbon gas.
- Carbon capture, storage and utilisation (CCUS) will be essential to meeting the targets set by the Paris Agreement. CCUS is critical for deployment of low-carbon gases as well as capturing CO₂ emissions in power and manufacturing. Appropriate and timely policies coupled with regulatory and financial support are needed.
- Targeted support is needed to help commercially immature technologies. Renewable and low-carbon gases are at the early stage and an important cost reduction can be achieved through scale-up, with the right level of public support, similar to the initial start-up of renewable electricity. Additionally, their benefits for the system may be much higher than a Levelized Cost of Energy (LCOE) comparison may suggest, as such an approach does not take into account positive externalities, such as the ability of gaseous fuels to provide seasonal flexibility and security of supply along with facilitating additional renewable integration, and underestimates the integration costs of intermittent energy sources.

During the scaling up of low-carbon and renewable energies, rapid emissions reduction can be achieved through the replacement of carbon intense fuels with natural gas.

- In most of Europe, significant and cost-effective CO₂ reductions can be achieved through coal and oil to gas switching in power generation, industry, transport, and heating. This has been demonstrated by the recent findings of the IEA.

¹ Joint position of Eurogas, European Biogas Association (September 2020) [[web link](#)]

- The need for flexible power generation will increase to cover production gaps being caused by growing intermittent renewable electricity generation and variable demand patterns.
- The buildings renovation strategy requires affordable solutions that cater to all. Particular attention must be given to vulnerable consumers to avoid negatively impacting energy poverty. Switching from coal and oil to gas in heating can help make significant progress towards the decarbonisation of the building sector as well as improving local air quality.
- State Aid Guidelines and the Green Deal funding instruments should be geared to support projects – including for natural gas – where they contribute to the Union’s climate objectives.
- Emissions reductions in road and maritime transport can be achieved by switching to CNG, LNG, hydrogen and biomethane.
- A recent DNV GL study demonstrated that 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 low-carbon forms of energy by 2050.

Energy system integration policies must be based on a holistic assessment of system costs and externalities

- A full life-cycle analysis (including negative emissions) is needed for all technologies and energy carriers, considering GHG emission and avoidance costs: for the mobility sector through a well-to-wheel approach; for biomethane by considering externalities such as reducing agricultural methane emissions; for energy storage technologies, including power-to-gas and batteries.
- The advantages that gaseous solutions bring to the energy system as well as other sectors should be recognised. Policies and economic evaluations should integrate the costs and benefits induced on the energy system and other sectors by each decarbonisation option and ensure that adequate price signals are visible for end-customers.
- Energy system costs, including incentives and subsidies should be allocated to the benefiting part of the system, without cross-subsidisation between energy carriers and consumers should receive cost-reflective price signals that provide transparency for long-term system costs.
- Align EU funding and sustainable finance rules and the overarching objectives of ensuring a safe, secure, sustainable, and affordable energy supply underpinning the Energy Union.

The benefits of the existing gas infrastructure must be leveraged to accommodate growing shares of renewable and low-carbon gas.

- To increase market uptake and maintain the interoperability of the EU gas infrastructure, technical rules should enable and foster the blending of hydrogen and methane. This blending will help to quickly integrate decentralised production while not precluding the possibility for dedicated hydrogen grids to develop.
- Policies and economic evaluations should integrate the costs and benefits induced on the energy system and other sectors by each decarbonisation option.
- The role of electrolyzers and hydrogen as a major large-scale seasonal storage technology should be considered and consequently the role of hydrogen in seasonal demand drivers, such as heating must be given due consideration.
- The role of hybrid heating systems as a major flexibility and sector coupling element must be acknowledged and supported through an adequate market design and development support.