

Brussels, 9 December 2019

Dear Commissioner Lenarčič,

We would like to congratulate you for your appointment and provide you with our views on the energy transition and the Green Deal for Europe.

Eurogas supports calls for a European Climate Law that enshrines the 2050 climate-neutrality ambition into law, and we believe the gas industry will be a critical contributor to achieve this objective. The EU will require a legislative framework that enables all decarbonisation options to be part of the solution. All options, including natural gas, renewable gas and decarbonised gas in combination with carbon capture will be needed to enable a successful energy transition, while reducing overall societal costs. We therefore encourage the European Commission to put forward a decarbonisation strategy that ensures a steady uptake of renewable and decarbonised gases.

Eurogas supports the recently agreed EU climate and energy objectives for 2030. It is essential from an investor perspective that the stability and predictability of EU policy making is preserved. Increased 2030 targets must therefore not lead to a reduction in the speed of implementation of the Clean Energy Package, while being accompanied by additional and complementary measures that would enable additional greenhouse gas emission reductions. In parallel, the Energy Union objectives of energy security, affordability and sustainability must also be observed. Switching from coal and oil to gas in power generation offers the fastest and the most cost-effective solution for the EU to accelerate the decarbonisation of the EU economy. It enables the EU to exceed its current 2030 greenhouse gas emissions reduction target by delivering a 45% reduction in CO₂ emissions. Additional greenhouse gas emission reductions can be achieved by the widespread uptake of LNG in heavy duty road transport and maritime transport.

Eurogas therefore supports a robust EU ETS that provides appropriate market-based price signals to drive sustainable investment decisions. The current ETS is already a driving force in coal to gas switching, beyond individual national commitments to phase out coal. In parallel, Eurogas supports efforts to manage and reduce methane emissions from the gas sector, including through improved reporting and quantification methods as well as mitigation practices.

Finally, we are convinced that the energy transition is not only a challenge, but also offers significant opportunities for innovative European businesses. Europe is leading the way when it comes to climate change mitigation policies. Moving faster than the rest of the world



requires establishing a level playing field to ensure that EU industry can continue to grow and prosper. Europe can become and, in many areas, already is leading the development of decarbonisation technologies, we lead in the manufacturing of power to gas electrolyzers, anaerobic digestors, LNG engines and carbon capture technologies like pyrolysis. The EU should take advantage of the potential in decarbonising gas to lead the technologies of the energy transition not only in R&D but also in manufacturing. Turning climate change mitigation into an opportunity for innovative EU businesses and effectively addressing the risk of carbon-leakage should be the core of an EU industrial decarbonisation strategy.

We look forward to the opportunity to present to you our vision on the role of gas – natural, renewable and decarbonised – in the energy transition and to discuss our detailed policy recommendations with you at your earliest opportunity.

Yours sincerely,

