

From: [REDACTED]
Sent: mercredi 9 décembre 2020 19:02
To: EC PRESIDENT VDL
Cc: [REDACTED] (CAB-VON DER LEYEN); [REDACTED]
Subject: Taxonomy Delegated Act - Energy Coalition
Attachments: 20 12 09_CEO Letter_Taxonomy_VF.pdf
Categories: Pool



Dear President von der Leyen

I am writing you on behalf of a coalition of European leading energy companies and associations, to raise awareness about some provisions of the EU Taxonomy draft delegated acts, which will have a significant impact on the energy transition in Europe.

In the attached letter, [REDACTED] explain how the transformation to a carbon-neutral EU can be designed with very ambitious but credible threshold values for electricity generation and CHP based on gaseous fuels, which are fundamental to support a resilient and adequate energy system in transition.

To account for the decarbonisation potential of gas-based technologies, the Taxonomy should provide for a credible and dedicated threshold for gas as a transitional activity at 250gr CO₂e/kWh on average in the lifetime of the asset, as well as an incentivising framework for the take up of renewable and low carbon gases. It shall also recognise that bioenergy, when respecting the existing (and demanding) European legislation criteria, must be regarded as sustainable, and not "transitional".

We hope that you can take into account our considerations, especially at the Member State Expert Group meeting of tomorrow, December 10th, and all along the debate on the draft delegated acts.

We remain at your disposal for further questions.

Best wishes

[REDACTED]

[REDACTED]



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EU Transparency Register: 17909506129-41



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For the attention of:

Mrs Ursula von der Leyen
President of the European Commission

Copy :

Mr Frans Timmermans
Executive Vice President of the European
Commission

Mr Valdis Dombrovskis
Executive Vice President of the European
Commission

Mrs Kadri Simson
Commissioner
Energy

Mrs Mairead McGuinness
Commissioner
Financial services, financial stability and Capital
Markets Union

Brussels, 9 December 2020

Subject: EU Taxonomy – Technical Screening Criteria for gas activities contributing to climate change mitigation

Dear President von der Leyen,

The delegated acts on climate change mitigation and adaptation activities under the EU Taxonomy regulation are currently open for consultation. The EU Taxonomy is a cornerstone of the EU sustainable finance agenda and aims at steering private investments into achieving carbon-neutrality by 2050.

We fully support the EU in reducing GHG emissions by at least 55% by 2030 and to be carbon-neutral by 2050. We also believe that a harmonized classification can be a powerful tool to meet the investment challenge of that journey. Considering the pivotal future role of the EU Taxonomy in guiding the EU economy in the energy transition, it is paramount for it to be credible, robust, and to provide incentives for the ongoing and necessary transition towards a climate-neutral economy.

Such a climate-neutral economy will have to build on a fully integrated European energy system based on **three pillars, namely energy efficiency, electrification and a fundamental role for renewable and low carbon gases.**

As a matter of fact, the EU still has to rely on gas, since there is no smart energy system without gas-fired power generation or CHPs. **Gas assets are crucial flexibility and storage tools** when intermittent energy, whose penetration in the European energy system will significantly increase, is not available and the energy system must be balanced at all times by the transmission and distribution networks to prevent



blackouts. In addition, it is well known that shifting from coal-to-gas leads to immediate emissions savings of at least 50%.

Gas needs to be greener and greener, and our Companies are all committed to make it happen. Having said that, Europe's gas mix cannot be decarbonized in a blink of an eye, and Member States need flexibility to determine their most cost-efficient decarbonization pathway considering their energy mix. **Taxonomy can be a driving force behind that decarbonization process, by recognizing and stimulating market players' decarbonization efforts in line with the EU efforts to ramp up the availability of green gases like renewable and low carbon hydrogen and biomethane.** The EU Taxonomy should therefore be technology neutral and acknowledge that efforts should start now, using best available technologies and available fuels to reach the EU decarbonization targets. It should account for the decarbonization potential of all existing technologies, including gas solutions.

For these reasons, we call upon your support since we are worried with the Commission stance taken as regards gas activities under the delegated acts. We ask you to amend the delegated acts to reflect the below points so that gas can fully take up its role in the decarbonization of the EU economy:

- Points 4.7, 4.19 and 4.23 in Annex I of the delegated acts should set forth a **dedicated threshold for gas as transitional activity**, allowing a credible decarbonization trajectory in line with article 10.2 of the Taxonomy Regulation and the revised EIB energy lending policy. We propose a threshold of **life-cycle GHG emissions lower than 250gr CO2e/kWh in average of the economic lifespan of the asset**. Our firms are committed to reach such a level of emissions. Such an ambitious target would very well illustrate the capacity of the EU Taxonomy to attract activities towards lower and lower emissions thresholds and would give a strong impetus towards gas greening.
- Points 4.7, 4.19 and 4.23 in Annex I of the delegated acts, **all gas power and cogeneration plants that have GHG emissions below the green threshold of 100grCO2e/kWh as proposed shall be considered "sustainable"**. This will be achieved over the longer term due to integration of an increased volume of renewable and low carbon gases and technological developments. Generally, if operating with renewable gases, such as renewable hydrogen and biomethane, the activity should be treated equally to other renewable energy such as wind and solar, conform the Renewable Energy Directive ("RED II")¹.

Against the same background, we are also concerned by the treatment of economic activities using bio-energy as "transitional activity". Bio-energy (including biomethane) that comply with the sustainability and GHG emissions savings criteria of applicable European and national legislation (including the REDII) is a renewable energy and shall be treated equally to other renewable energy such as wind or solar.

Biogases are an indispensable puzzle piece of the decarbonization of the energy sector, next to the use of hydrogen. **RED II compliant bioenergy is a renewable energy, and should be explicitly recognized as significantly contributing to climate change mitigation, on equal footing with other RES, as per**

¹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.

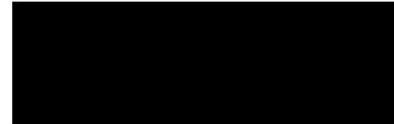
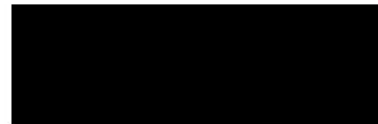
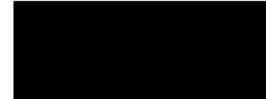
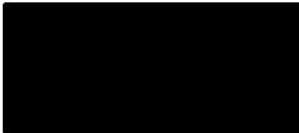


article 10.1. of the Taxonomy Regulation and not as transitional activity. Further, the delegated acts should remain aligned with the existing sustainability and GHG emission savings criteria of applicable legislation.

Finally, in line with the necessity for a transitional phase, concerning gas infrastructure, hydrogen and/or low carbon gases readiness should be sufficient for the extension and operation of the gas grid to be considered as contributing to climate change mitigation.

We encourage open dialogue on the topic and remain fully available to further exchange with you. **We strongly believe that, by being too binary and not inclusive enough, the EU Taxonomy could miss its target and remain a green “niche”, with few impact on the market transparency and investments flows, whereas its ambition should be to be as inclusive and aspirational as possible to steer the necessary investments in the energy transition.**

Yours sincerely,



Further recipients of the letter:

