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Brussels, 31st July

Dear Commissioner Dombrovskis,

Dear Director-General Berrigan,

We the signatories, represent the vast majority of the EU's 1500+ gas DSOs and their 2.2 million km of pipelines. We are **committed to the objective of climate neutrality in 2050** and believe that the development of a comprehensive taxonomy will help the EU fulfil its 2030 and 2050 objectives. We remain convinced that **decarbonisation** can only be achieved through **adequate consideration, support, development and adoption of the necessary gaseous solutions**.

The economic recovery in Europe in the midst of COVID-19 pandemic will require swift unlocking of public and private investment. For this reason, we see great value in setting up a framework for sustainable investment capable of providing clarity and certainty as to ensure that the **objectives of the Energy Union** are upheld through both its **social and economic** dimension. As most modelling, including the Commission's Long-term strategy, shows there is a **need for a variety of energy vectors,** to ensure decarbonisation; and where studies demonstrate the **cost-efficiency of gas grids** in this process, clear and coherent investment signals are required in this respect.

Taking the above into account, and whilst ensuring the *"do no significant harm"* is upheld with regards to the other 5 environmental objectives, the **taxonomy regulation** states that climate change mitigation can notably be fulfilled by:

"1.(a) generating, storing or using renewable energy or climate-neutral energy (including carbon-neutral energy), including through using innovative technology with a potential for significant future savings ***or through necessary reinforcement of the grid****;"*

"1.(g) ***establishing energy infrastructure required for enabling decarbonisation of energy systems****;"*

We therefore believe that the **delegated act currently being drafted** should consider the **extension of the gas network among the environmentally sustainable investments when it contributes to significant greenhouse gases emissions (GHG) reduction**. Indeed, gas grids can deliver both a transition from highly emitting solid and liquid fossil fuels to sustainable gaseous solutions, along with a greening of the gas system through greater injection of renewable and decarbonised gases. Not doing so would put at risk the ambitions for decarbonisation outlined in the recently published Energy System Integration and Hydrogen strategies.

On the contrary, the final recommendations from the Technical Expert Group (TEG) would considerably limit the possibility to reduce GHG emissions in certain countries and sectors through immediately available solutions. These quick-wins based on the switch to natural gas and the increasing use of renewable and decarbonised gases would be hampered, along with **the connection of renewable and decarbonised gas** units, such as biomethane and hydrogen production plants. If confirmed, such an approach would also **endanger security of supply** through the removal of the required flexibility for the energy system provided by these gaseous technologies.

Yours sincerely,

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