

RePowerEU: GD4S is committed to deliver

- Gas Distributors for Sustainability (GD4S) welcomes the 35 bcm biomethane target and the goal on green hydrogen.
- Gas DSOs have a key role to play in delivering REPowerEU's ambitions, and in increasing EU energy security. Gas distribution networks are existing and essential assets to integrate higher volumes of biomethane/hydrogen in a fast and cost-effective way.
- Therefore, the potential of gas grids should be recognised and leveraged by additional European policy measures and incentives.
- In this crucial step for the EU economy and citizens, GD4S renews its full support to the EU institutions by sharing its expertise, knowledge and concrete case studies to feed a robust and effective RePowerEU Plan.

GD4S represents key actors of the renewable gases value chain and the energy transition. GD4S members are committed to contributing to the decarbonisation of the economy by making the necessary investments to ensure that gas grids support clean energy sources such as biomethane and are ready for green hydrogen. We therefore welcome the updated ambitions of the European Commission to boost the uptake of biomethane and hydrogen by 2030.

REPowerEU sets the tone for biomethane and hydrogen production by 2030

The target of 35 bcm of biomethane set by REPowerEU is a major milestone on the way to the decarbonisation of Europe's energy supply. It gives a much-needed long-term signal to the market participants across the value-chain and, if translated into appropriate incentives and regulatory measures, will unlock the potential of biomethane production and consumption by end-users.

The REPowerEU communication is also a strong acknowledgement that renewable gases are a credible and feasible solution to significantly reduce GHG emissions and strengthen European security of supply.

Coming at a critical time for the global and European energy markets, GD4S sees REPowerEU strategy as an accelerator of the European Green Deal by quickly scaling up the delivery of renewable, efficient, and affordable energy solutions to all consumers. Biomethane and its multiple cross-sectoral benefits is a promising solution for several key concerns of the European energy sector and for agricultural independence and sovereignty.

Gas DSOs have an irreplaceable role to play in achieving REPowerEU's ambitions

On the way to achieving REPowerEU's strong ambitions, gas grids are vital assets for Europe. Distribution gas grids are resilient and flexible and are crucial for the diversification of gas supplies to end-users, including biomethane and hydrogen. They therefore, have a key role to play in achieving

EU climate and energy targets and reinforcing EU security of supply, in a flexible and cost-effective way.

DSOs are already contributing to decarbonisation thanks to the increasing volumes of biomethane being injected into the gas grids. Accelerating biomethane production as of today and getting ready for green hydrogen tomorrow is at the core of the European energy strategy towards decarbonisation. These renewable gases play a significant role in reducing the EU's dependencies on fossil fuels, thus enhancing the EU's security of supply.

Existing gas DSO grids can easily and immediately accommodate the expected growing volumes of low carbon and renewable gases without additional large-scale investments. In conjunction with existing storage capacities, gas grids can provide the necessary flexibility to manage the increasing variability of renewable electricity supply, in a cost-efficient way, as set out in the Smart Sector Integration Strategy.

Leveraging the value of gas grids is therefore crucial to achieving the ambitions of REPowerEU.

An enabling regulatory framework is crucial to deliver

Despite grid readiness, a clear European regulatory framework and incentives are needed to massively scale-up biomethane production and injection to achieve REPowerEU's 35 bcm target by 2030.

Such a strong ambition must now be matched with concrete measures to support the production of biomethane and green hydrogen as well as their injection into the gas grids.

From this perspective, GD4S invites the Commission to consider the following measures:

1) Establish an appropriate regulatory framework to facilitate the injection of biomethane into the existing gas infrastructure

Key EU legislation for the gas sector should align with the newly stated ambitions of RePowerEU on biomethane and hydrogen;

→ Translate the target of 35 bcm biomethane into a **binding EU wide objective**, in the revision of the Renewable Energy Directive and in the Gas Package, that should be further reflected into Member States National Energy and Climate Plans;

→ EU legislation **should support the DSOs in overcoming technical and economic aspects** related to connecting biomethane plants to the gas grids, metering, and quality control (planification with DSO/TSO cooperation, tariffs and investment decisions for grid connections and reinforcement, gas quality control procedures, etc.).

→ **Cooperation among gas DSOs should be encouraged**, for instance through the implementation of a dedicated EU DSO entity.

→ Establish Guarantees of Origins (GO) for all renewable gases to increase the demand and encourage investment in the sector. **The GO should include the GHG emissions reduction of the renewable gas calculated on a life-cycle basis.** The system should be consumer oriented and user friendly to increase transparency for the consumers and avoid burden or barriers for the producers.

→ In light of the current energy crisis, European consumers should be more incentivised to control their own energy use. Gas system operators are independent third parties with respect to energy supply. With smart meters and digitalisation, consumers are enabled to better understand and manage their consumption. **EU legislation should emphasize DSOs' active role to reach higher energy savings**, especially, in supporting local authorities to improve their actions as well as the identification and support of energy vulnerable consumers.

2) Foster knowledge sharing and cooperation among Member States to enhance biomethane production across the EU

As the timeframe in which to act is limited, the role of the European Commission is crucial to foster high-level coordination among Member States, energy regulation agencies, markets representatives (producers and consumers) and infrastructure operators;

→ Elaborate as soon as possible **RePowerEU guidelines on best practices at local and national levels on biomethane production and injection to support Member States and National Authorities in scaling up their efforts**. Given the variety of starting points and specificities across Member States, such guidelines would be instrumental **to encourage the adoption of the needed measures to accelerate the uptake of biomethane**, such as support for connections, feed-in-tariffs, contract for differences, reverse flow investment and operation management, etc.;

→ In addition, introduce as soon as possible **consistent guidelines on existing EU funding for biomethane production to streamline and facilitate its use by national, regional and local authorities (Cohesion funds, ERDF, Recovery and Resilience Facility, CAP, etc.)**;

GD4S stands ready to support the European Commission

GD4S and its members are fully committed to the achievement of the RePowerEU targets and are ready to immediately support the European Commission by sharing their expertise to develop a robust and ambitious RePowerEU Plan.

Close cooperation between the European Commission, gas network operators and regulatory authorities would be particularly helpful to speed up the implementation of concrete measures and bring the necessary technical support for a rapid scale up of biomethane injection into local gas grids.

GD4S is at the disposal of the European Commission to initiate this cooperation.

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More about GD4S:

GD4S represents the leading natural gas distributors in France, Greece, Italy, Ireland, Spain, Portugal and Romania. Together, we represent 27.7 million customers in Europe (around 30% of the European market). Gas distributors are responsible for operating the gas distribution network, ensuring its maintenance, and its development. We are responsible for safely distributing natural and renewable gas to consumers.

Transparency Register number: 382692732615

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