



3 December 2018

## Response to European Commission vision for a climate neutral economy

In accordance with the UNFCCC Paris Agreement, the European Commission has issued A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy. We, the members of eleven energy sector associations, welcome the Commission's vision.

We represent over 3,500 organisations that deal with natural, renewable and decarbonised gases and the gas infrastructure in the EU, and we are fully committed to supporting the European Union in fulfilling its objective to decarbonise its energy system.

The Paris Agreement has transformed the energy landscape for good and we welcome working with the EU to develop a forward-looking strategy that acknowledges the economic, social and technical opportunities and challenges that long-term decarbonisation implies.

### **Deep decarbonisation can be achieved with the use of renewable and decarbonised gases and the gas infrastructure.**

Currently gas delivers nearly seven times the quantity of energy traded between EU Member States compared to electricity. The existing gas infrastructure is primarily based on natural gas, which has achieved large carbon dioxide emissions reductions since 1990. However, there is considerable potential to transition to renewable and decarbonised gases, as recognised in the vision. Renewable gases like biogas and biomethane already play a significant role in some EU Member States and contribute to the circular bio-economy. Innovation in other renewable and decarbonised gas production and use, such as hydrogen and synthetic methane via power-to-gas processes, is already in development.

Gas infrastructure operators are committed to supplying reliable and affordable renewable and decarbonised energy throughout Europe to 2050 and beyond. The gas network of transmission and distribution pipelines, underground storage and LNG regasification facilities will transport and store renewable and decarbonised gases, including hydrogen, to meet demand from the power, industry, residential, heating and land and marine transportation sectors.

### **Gas and electricity work well together, offering energy security, flexibility and storage of renewable energy.**

Gas grids manage high energy demand fluctuation, making gases inherently flexible and demand-responsive, thus complementing variable renewable electricity.

Gases are easily stored in small and large quantities, providing seasonal resources to meet peak demand. Energy storage will be challenging and costly, if at all possible, if tackled by the electricity sector on its own, and it may become an insurmountable challenge due to climate change impacts on temperature extremes, rainfall and weather patterns, including wind.

It is acknowledged in the vision that security of supply will be enhanced through the inherent resilience and flexibility of the gas network.

More value should be put on storage and flexibility provided by the gas network to balance increasing renewable electricity supply.

**Sector coupling and sector integration are at the centre of the long-term EU energy vision.**

A hybrid energy infrastructure and sector coupling, building on the strengths of both the gas and electricity networks, will form the solid backbone of a decarbonised EU energy system.

Sector integration goes one step further by making wider use of gases in hybrid applications, such as in heating and transport, industrial applications or on their own.

Together or separately, the combined virtues of electricity and increasingly renewable and decarbonised gases are essential to achieving long-term climate ambitions effectively and on time.

We look forward to working with the European Commission on developing the vision for long-term EU greenhouse gas emissions reductions into a strategy on sector integration.

*CEDEC* - European Federation of Local Energy Companies

*EBA* - European Biogas Association

*ENTSOG* - European Network of Transmission System Operators for Gas

*GasNaturally* - Partnership of six associations from across the whole gas value chain: Eurogas, GERG, GIE, IOGP, Marcogaz and NGVA Europe

*GEODE* - The Voice of Local Energy Distributors across Europe

*Hydrogen Europe* - European industry, national associations and research centres active in the hydrogen and fuel cell sector

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