

Enabling Renewable Gases in Buildings with Green Contracts

Joint Statement

Brussels, 9 May 2025

The signatories of this joint statement, representing businesses across Europe active throughout the industrial and residential heating and power value chains – from distribution network operators to appliance manufacturers – are submitting the following request to the European Commission.

Our Request

- **Mention in the guidance document on the implementation of Art.11** of EU Directive 2024/1275 on the Energy Performance of Buildings (EPBD) **of Green Contracts for the use of biomethane in Zero Emission Buildings (ZEBs).**

These are fundamental, **along with energy efficiency measures**, to decarbonise both new and to-be-renovated buildings. They aim to **expand the range of technical solutions available**, offering professionals more options to optimise building design for affordable housing, considering the diverse situations encountered.

The implementation of green contracts will accompany the scale-up of renewable gas production.

Article 11 of EU Directive 2024/1275 on the Energy Performance of Buildings (EPBD) defines the Zero Emission Buildings (ZEBs) characteristics. ZEBs are not allowed to cause any on-site carbon emissions from fossil fuels and need to cover their total primary energy use with energy from renewable sources generated on-site or nearby, provided from the renewable energy community, as well as via efficient district heating and/or from carbon-free sources. Other energy from the grid would allow to complement the above options for the reasons of technical or economic viability as stated in the same article of the EPBD. This ensures that Member States can adapt implementation of ZEBs to national energy contexts as well as regional circumstances.

Paragraph 7 of Article 11 of the EPBD clearly recognises “*energy from renewable sources generated on-site or nearby*”, if compliant with the criteria laid down in Article 7 of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (RED). Under this definition, renewable gases represent a viable and cost-efficient option to decarbonise buildings, allowing to reduce the use of fossil fuels in buildings.

Green Gas Contracts are emerging at national level as a reliable tool to ensure that renewable gases can be adequately accounted for in buildings. Given these developments, the signatories of this letter urge the Commission to include the Green Contracts best practice in the EPBD Guidance.

1. What are *Green Contracts*?

Green Contracts are a form of contract where the energy supplier is offering to the end consumers the possibility to consume renewable instead of non-renewable energy. This kind of contract already exists in some Member States for biomethane and/or renewable electricity supply. The supplier is guaranteeing through market-based instruments – like Guarantees of Origin (GOs) and/or Proof of Sustainability (POS) – the origin of the energy supplied. This would then also be reflected in the energy supply agreement/bill.

2. Why are *Green Contracts* needed?

Today, methane and biomethane are being delivered to buildings mainly over pipelines. With the exception of closed systems¹, the only way for European end consumers to prove that they are consuming biomethane is through *Green Contracts*. This is favoured by the design of the current European energy markets which have multiple access points, allow for cross-border energy trade and apply the principle of mass-balancing². Moreover, it is to be noted that, once injected into the grid, methane and biomethane virtually cannot be distinguished – they are so chemically similar to the point that they are interchangeable in end-use application. It is therefore important to explicitly mention this instrument in the context of the ZEBs guidance document in order to offer precise guidance to Member States to ensure the smooth implementation of the Directive.

Through the subscription of such contracts, end consumers would be able to prove their consumption of renewable energy, which is becoming increasingly important due to requirements in EU legal acts asking to report on energy consumption, such as the Renewable Energy Directive (RED), EU Emission Trading System (ETS) or the Energy Performance of Buildings Directive (EPBD) - at least in the case of ZEBs. As a result, it is important that the guidance document gives the possibility to Member States to use green contracts to achieve these requirements.

3. How can *Green Contracts* complement other ZEB energy solutions?

Green Contracts alone would not suffice to reach ZEB energy standards, but they encourage the improvement of buildings' energy efficiency, help to reduce their environmental footprint and strengthen the business case for investments in biomethane. Furthermore, they are a valid instrument to implement Art.11 of the EPBD to achieve the decarbonisation of the building sector, regardless of whether they are used for heat and/or electricity production (e.g. hybrid heat pumps, renewable energy powered boilers, fuel cells or CHPs).

¹ A “closed system” is a system which has only a limited amount of access points and that doesn't allow alien actors to participate in.

² As foreseen by Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks.

The Signatories

