

Response from GIE

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The recently released European Commission's Hydrogen and Energy System Integration strategies have confirmed the essential role of renewable and low-carbon gases in reaching a climate-neutral Europe by 2050. To speed up the transition towards these gases, an appropriate regulatory framework is needed. In this context, the revision of the recast of the Renewable Energy Directive (RED II) provides one excellent opportunity among others "to translate into legal measures the actions proposed in other energy strategies of the European Green Deal" as suggested by Option 4 of the Inception Impact Assessment.

Gas Infrastructure Europe (GIE), representing 70 European companies operating storage facilities, transmission pipelines and LNG terminals, welcomes the European Commission's roadmap and public consultation on the revision of RED II. The inception impact assessment acknowledges the need for an accelerated and cost-effective deployment of renewable energy to fully decarbonise the economy – gas infrastructure operators, by accommodating growing shares of renewable and low-carbon gases into their networks and securing their supply to all end-user sectors, are committed to delivering on this. To this end, GIE members support the two proposals emanating from the Energy System Integration and Hydrogen strategies to "promote further development and use of renewable and other low-carbon fuels" and to "establish a comprehensive terminology and robust certification system including associated GHG and sustainability criteria, based on a robust life-cycle approach and traceability system". These are in line with our recommendations made at the 33rd Madrid Forum jointly with other associations part of the 'New Gases Network'¹ and the 'Prime Movers Group'².

To create the right conditions for an EU-wide market for renewable and low-carbon gases to scale up, GIE calls for the following amendments:

¹ We invite the reader to visit the New Gases Network recommendations for new gases terminology for further details available at:

https://ec.europa.eu/info/sites/info/files/energy_climate_change_environment/events/presentations/02.a.02_mf_33_presentation_-_new_gases_network_-_terminology_gas_industry_perspective_-_deblock.pdf

² The Prime Movers Group industry recommendations on Guarantees of Origin are available at:

https://ec.europa.eu/info/sites/info/files/energy_climate_change_environment/events/presentations/02.b.02_mf33_background_-_entsog_gie_-_industry_recommendations_on_go.pdf

- 1. The establishment of a common European terminology via clear, accurate and science-based definition for renewable and low-carbon gases.** Such a classification would increase consumers' knowledge and awareness on the different types of fuels and, by relying on science-based definitions, guide them in a technology neutral way towards the most efficient and cheapest decarbonisation option, depending on their individual needs. To best orient investment choices, coherence must be ensured between EU legislations, namely RED II sustainability criteria and thresholds outlined in the taxonomy report.
- 2. The introduction of the obligation for Member States to issue GOs for all renewable and low-carbon gases.** In accordance with Article 19(2) of RED II, delivering GOs for energy from non-renewable sources is currently optional for Member States. While the EU Hydrogen strategy recognises the benefits of low-carbon hydrogen³ in the transitional phase to reduce GHG emissions, its uptake would greatly benefit from a harmonised framework for the trade of GOs for low-carbon gases across Member States in the same way as GOs for renewable gases. To further favour the development of a robust pan-European market for GOs, renewable gas produced and certified in a specific country should count for the national contribution to meet collectively the binding overall Union target for 2030 of the country in which the consumption of this certified renewable gas is registered.
- 3. The development of an EU-wide credible certification system based on Guarantees of Origin (GOs) including associated GHG and sustainability criteria.** GOs and sustainability certificates fulfil complementary functions, although a link between both documents will help to prevent double disclosure of the same energy or false claims on its origin by market participants. In particular, as discussed within the framework of the revision of the Monitoring and Reporting Regulation, the indication of GHG and sustainability information into all types of GOs could offer EU ETS operators an additional efficient instrument to cover their emissions limits and obligations.
- 4. The implementation of a set of technology-neutral national binding targets for renewable and low-carbon gases.** Such targets as, for instance, the 10% renewable gas quota by 2030 proposed by some GIE members through the Gas for Climate initiative, will incentivise Member States to develop clear pathways to progressively introduce renewable and low-carbon gases, in addition to existing unabated natural gas, while improving investor predictability and confidence. To set their level, an impact assessment focusing on their achievability for Member States, including on the feedstock availability, will be paramount. Once properly defined, these contributions could be complemented with

³ According to the EU Hydrogen strategy (p. 4), 'low-carbon hydrogen' encompasses fossil-based hydrogen with carbon capture and electricity-based hydrogen, with significantly reduced full life-cycle greenhouse gas emissions compared to existing hydrogen production.

national support schemes, build on existing RED II mechanisms and rely on a target setting approach for end consumer sectors, e.g. in the transport sector. Compliance with these targets can be achieved via, but not restricted to, the use of an EU-wide credible certification based on GOs, including associated GHG and sustainability criteria.

5. The establishment of some appropriate administrative rules concerning authorization, certification and licensing procedures at EU level. This could simplify some burdensome procedures at national level and facilitate the integration and deployment of renewable energy infrastructure and related projects in some Member States.

GIE would be pleased to further discuss this contribution at the upcoming 34th Madrid Forum, during dedicated workshops or through the future open public consultation.