



To: COREPER I

Cc: Working Party Energy

Subject: draft Council conclusions on the Future of Energy Systems in the Energy Union

We are writing to you to express our support for the ongoing important work on the draft Council conclusions on the Future of Energy Systems in the Energy Union. Ahead of the COREPER debate on 12 June we would like to provide our views on some of the key elements addressed.

We support the emphasis on the potential of renewable and decarbonised gas, including biogas and biomethane as well as allowing for a pragmatic approach for the deployment of hydrogen.

- Renewable gas (Biogas, Biomethane, Renewable Hydrogen, Renewable Synthetic gas) can be produced from various feedstocks: renewable electricity; municipal waste; agricultural residues; sewage; etc. Likewise, decarbonised gas (non-renewable Hydrogen) can be produced from non-renewable electricity or natural gas in combination with carbon capture and storage (CCS) or use (CCU). Innovative technologies that produce renewable gas and decarbonised gas that can be injected into the grid or distributed outside the grid are already being developed throughout Europe.
- All these options must be further incentivised as their availability to deploy at scale with existing gas infrastructure is necessary for the EU to deliver on its climate and energy commitments. It would contribute to make the energy transition more publicly acceptable, preserve competitiveness of the EU industry and enable society to adapt to the demands of the new energy system. The fast increase of the share of renewable and decarbonised gas in the system is necessary to improve the resilience of the future energy system with more variable renewables, while reducing system emissions.

A level playing field is required to ensure the development of the most efficient technologies available to achieve decarbonisation in a given sector.

- Technology openness is necessary to enable the successful development of a highly efficient sector integration. Further electrification of the economy (§13(c)) will play an important role in the energy transition, but cannot be a goal in itself. The goal should be to decarbonise as early as possible and at the minimum cost. Moreover, some parts of the economy will be particularly challenging to electrify at an affordable cost for the end-user, and without clear benefits compared to other viable alternatives, such as renewable and decarbonised gas and their use in efficient energy technologies.
- Legislators should facilitate the development and scale up of the most efficient technologies suitable to decarbonise the different parts of the economy and ensure that a level playing field is established. Technology specific approaches could be applied where targeted support is necessary to promote technologies which are not considered



mature, but whose large-scale deployment will have a proven overall value for the energy system.

We support the acknowledgement that carbon capture storage (CCS) and use (CCU) technologies are important if the EU is to achieve its deep decarbonisation objectives.

- Carbon capture storage and use are important technologies to enable, together with renewable gases, the EU to achieve a low-carbon economy, as recognised in both net zero GHG emissions pathways (1.5LIFE and 1.5TECH) of the European Commission’s long-term vision for a climate neutral economy, as well as many of the 1.5 degree scenarios in the IPCC’s recent 1.5 degree Special Report. The development of CCS is a necessity not an option if we are to deliver on limiting global warming to a 1.5C temperature change and should be therefore further promoted.
- Several large-scale European CCS projects are planning for operational start-up during the 2020s. Facilitating this development and scaling up of carbon capture and storage (CCS) and renewable gases in the energy system will make sure Energy Intensive Industries and associated jobs are protected in the EU and reduce the overall cost of the technology. It will also help exploit its full potential for decarbonisation, as well as further facilitate the development of an EU-wide market for hydrogen.

We support the recognition of the benefits of sector coupling and sector integration for a successful energy transition.

- Using the virtues of gas, electricity and heat grids is the best and fastest way to create a sustainable low-carbon economy. The smart combination of the gas, electricity, heat, industry, agriculture and transport systems can deliver early achievements, allow more renewables and lower costs as well as improved system efficiency and resilience.

We would like to thank you for your consideration of our points and remain available to answer any follow up questions you may have. We look forward to our continued dialogue with you on this important work on the energy transition and the upcoming gas package.