

NEW GAS FOR CLIMATE POLICY PAPER CALLS FOR A BINDING TARGET FOR 11% RENEWABLE GAS BY 2030

26 January 2021

- Gas for Climate advocates in new policy paper, that by 2030, 11% of all gas consumed in the EU should be renewable gas,
- The envisioned binding target is supported by two sub-targets for 8% sustainable biomethane and 3% renewable hydrogen. The target should be introduced in the EU Renewable Energy Directive,
- Gas for Climate continues to support EU policy making in 2021 by providing new analysis on hydrogen and biomethane.

Today, the Gas for Climate consortium published a policy paper **which provides an analysis-based rationale on why an 11% renewable gas target is needed to meet the EU's climate ambition to cut GHG emissions by 55% in 2030**. The policy paper follows last year's Gas for Climate *Gas Decarbonisation Pathways 2020-2050* report, which showed how additional policy measures are needed to scale-up biomethane, green and blue hydrogen which are all needed to meet the EU's climate targets. This policy paper focuses on biomethane and green hydrogen, acknowledging they require additional incentives compared to the incentives required to scale-up blue hydrogen.

To ensure an accelerated and consistent market ramp-up of green hydrogen and biomethane across the EU, the envisioned 11% target is supported by two binding sub-targets for green hydrogen and biomethane. At least 8% of the gas consumed in the EU by 2030 should be biomethane, and at least 3% should be green hydrogen. The sub-targets reflect that biomethane is commercially available today and scalable in a sustainable manner, while green hydrogen should ramp up during the 2020s too. The 3% green hydrogen target aligns with the European Commission target for at least 40GW of electrolyser capacity in the EU. A binding target for renewable gas will help to reduce production costs of biomethane and green hydrogen during the 2020s, while in the long-term help to achieve the European decarbonisation targets at the lowest societal costs. Gas for Climate foresees that an EU-wide target of renewable gas would be translated into differentiated national targets.

The policy paper on renewable gas is the first in a series of policy papers to be launched in 2021. Gas for Climate is currently undertaking new activities including setting up a European Biomethane Alliance, and a new hydrogen demand analysis.

Gas for Climate expands and announces new chair

Supporting the vision of Gas for Climate and its ambition for 2021, DESFA, the Hellenic gas TSO, joined the consortium. Gas for Climate now has members from 9 EU member states. The new chair of Gas for Climate, Marie-Claire Aoun, head of Institutional Relations of Teréga, emphasises: *"I am grateful that DESFA joins Gas for Climate at the start of a crucial year for renewable and low-carbon gases in the EU. In this dynamic period, I am honoured to chair the Gas for Climate initiative. We will continue to provide proposals and analyses to reach carbon neutrality in the EU in 2050 at the lowest costs for society"*.

Download the policy paper [here](#).

For other Gas for Climate studies, see www.gasforclimate2050.eu.





Gas for Climate press release

Notes for Editors

Gas for Climate was initiated in 2017 to analyse and create awareness about the role of renewable and low carbon gas in the future energy system in full compliance with the Paris Agreement target to limit global temperature increase to well below 2 degrees Celsius. To this end, the entire economy has to become (net) zero carbon by mid-century.

The Gas for Climate group consists of eleven leading European gas transport companies (DESFA, Enagás, Energinet, Fluxys Belgium, Gasunie, GRTgaz, ONTRAS, OGE, Snam, Swedegas and Teréga) and two renewable gas industry associations (European Biogas Association and Consorzio Italiano Biogas). The CEOs of the thirteen members are: Piero Gattoni (Consorzio Italiano Biogas), Nicola Battilana (DESFA), Harm Grobrügge (European Biogas Association), Marcelino Oreja Arburúa (Enagás), Torben Brabo (Energinet), Pascal De Buck (Fluxys), Han Fennema (Gasunie), Thierry Trouvé (GRTgaz), Ralph Bahke (ONTRAS), Jörg Bergmann (OGE), Marco Alverà (Snam), Hans Kreisel (Swedegas), Dominique Mockly (Teréga).

The Policy Paper for renewable gas is the first in a series prepared by Guidehouse. Renewable gas is all gas produced from renewable sources; This includes biomethane in the form of upgraded biogas produced by anaerobic digestion of agricultural biomass and organic wastes, biomethane produced from thermal gasification of woody residues, hydrogen produced from renewable electricity or biomethane, and synthetic methane produced from renewable hydrogen.

Renewable gases have different roles in the system and the wider economy as they provide storable and dispatchable renewable energy, heat to buildings that have gas grid connections, high temperature heat and feedstock in energy-intensive industries, and fuels to heavy and long-distance road transport, shipping and aviation. They also create future-proof jobs and foster rural economies. Hydrogen is enjoying renewed and rapidly growing attention in Europe and around the world. In 2020, the European Commission and six member states published hydrogen strategies, highlighting its importance as a cornerstone of long-term decarbonisation. Biomethane can realise instant GHG savings and a more circular energy system. Its production is a proven and market-ready technology with little associated technological risks. Biomethane has multiple benefits, most importantly its full compatibility with the existing gas grid.

EU renewables targets are set in the Renewable Energy Directive (RED). Therefore, including the proposed 11% renewable gas target and the sub-targets for biomethane and green hydrogen in the RED revision is the preferred option. Gas for Climate proposes that the 11% target for renewable gas should be implemented as a consumption target, and to be met by economic operators which can be large gas suppliers; similar to the existing renewable fuels target as part of the RED II. As specified in RED II Article 25 (1), member states shall set an obligation on fuel suppliers to ensure that the share of renewable gas within the final gas consumption is at least 11% by 2030. Member States should have the option, to further define the gas consumption target, e.g. set specific consumption targets per end use sector.

For more information, please contact the Gas for Climate member organisations:



Gas for Climate press release

CIB - Consorzio Italiano Biogas
Alessandro Vitale
Tel: +39 0371/4662633
Mail: a.vitale@consorziobiogas.it

DESFA
Panagiotis Panousos
Tel: (+30) 213 0884 250
Mail: p.panousos@desfa.gr

Enagás
Alexandra Issacovitch
Tel: +34 917099442
Mail: vaissacovitch@enagas.es

Energinet
Nicolai Sørensen
Tel: +45 21805172
Mail: NSO@energinet.dk

European Biogas Association
Angela Sainz Arnau
Tel: +32 400 1089
Mail: sainz@europeanbiogas.eu

Fluxys Belgium
Laurent Remy
Tel: +32 2 282 74 50
Mail: Laurent.Remy@fluxys.com

Gasunie
Nicolas Kraus
Tel: +32 2 234 63 55
Mail: N.Kraus@gasunie.nl

GRTgaz
Jean Marc Brimont
Tel: +33 6 89 87 16 23
Mail: jeanmarc.brimont@grtgaz.com

ONTRAS Gastransport GmbH
Johannes Stolle
Tel: +49 341271112055
Mail: Johannes.Stolle@ontras.com

OGE
Christian Page
Tel: +49 201 3642-12541
Mail: christian.page@oge.net

Snam
Salvatore Ricco
Tel: +39 335 770 9861
Mail: salvatore.ricco@snam.it

Swedegas
Igor Vlassiuk
Tel: +46 70 560 18 41
Mail: igor.vlassiuk@nordionenergi.se

Teréga
Mathilde Woringer
Tel: +33 5 59 13 32 52
Mail: mathilde.woringer@terega.fr

About CIB - Consorzio Italiano Biogas

CIB aggregates and represents the agricultural biogas and biomethane value chain in Italy. Formed in March 2006, CIB provides information to its members to improve, optimize and innovate biogas production processes, fostering greener and efficient low carbon farming practices through its flagship initiative Biogasdoneright®. CIB brings together farmers that run biogas plants, industrial companies that supply equipment and technology, companies operating in the fields of agriculture, consultancy, mechanization and transports; research centers and agricultural associations that supply data and promote anaerobic digestion in agriculture. CIB is also a founding member of EBA -the European Biogas Association. For more information, go to www.consorziobiogas.it.

About DESFA

The Hellenic Gas Transmission System Operator (DESFA) S.A., founded in March 2007, is responsible for the operation, management, utilization and development of the National Natural Gas System and its interconnections, in a technically sound and economically efficient way, in order to best serve its users with safety, reliability and adequacy. DESFA's shareholders are SENFLUGA S.A. (66%) and the Greek State (34%). DESFA is committed to support the fulfilment of the National Energy & Climate Plans targets, by planning its energy transition towards the decarbonized economy. For more information: www.desfa.gr.



Gas for Climate press release

About Enagás

Enagás is a TSO (Transmission System Operator) with 50 years' experience in the development, operation and maintenance of energy infrastructures, operating in eight countries: Spain, the United States, Mexico, Chile, Peru, Albania, Greece and Italy. The company has more than 12,000 kilometres of gas pipelines, three strategic storage facilities and eight regasification plants. In Spain, it is the main natural gas transporter and the Technical Manager of the Gas System. Enagás is firmly committed to the decarbonisation process and therefore is bounded to the development of projects to promote renewable gases - green hydrogen and biomethane - sustainable mobility and energy efficiency, among other areas. The company is a world leader in its sector in the Dow Jones Sustainability Index (DJSI), according to the latest revision of this index. For more information, go to www.enagas.es.

About Energinet

Energinet was founded in 2004 as an independent public enterprise owned by the Danish Ministry of Climate, Energy and Utilities. Energinet owns, operate and develop the transmission systems for both electricity and natural gas in Denmark. Energinet's aim is to enable a cost-effective transition of the energy system to 100 % renewable energy while maintaining the high level of security of supply. For more information, go to www.energinet.dk.

About European Biogas Association

The EBA is the voice of renewable gas in Europe. Founded in February 2009, the association is committed to the active promotion of the deployment of sustainable biogas and biomethane production and use throughout the continent. EBA counts today on a well-established network of 40 national organisations and over 100 scientific institutes and companies from Europe and beyond. For more information, go to europeanbiogas.eu.

About Fluxys Belgium

Fluxys Belgium is the independent operator of both the natural gas transmission grid and gas storage infrastructure in Belgium. Through its wholly owned subsidiary Fluxys LNG, the company also operates the Zeebrugge liquefied natural gas (LNG) terminal. Fluxys Belgium is a subsidiary of Fluxys, the gas infrastructure group based in Belgium and active across Europe. We are committed to continue building a greener energy future for the generations to come. People, industry and societies all need energy to thrive and progress. Fluxys Belgium accommodates this need: we put energy in motion through our infrastructure. We move natural gas while paving the way to transport in our infrastructure hydrogen, biomethane or any other carbon-neutral energy carrier of the future. For more information, go to www.fluxys.com/belgium.

About Gasunie

Gasunie is a European energy infrastructure company. The company provides the transport of natural gas and green gas via its subsidiaries Gasunie Transport Services B.V. (GTS) in the Netherlands and Gasunie Deutschland in Germany. The company also offers other services in the energy infrastructure field, including hydrogen, heat, CCS, gas storage and LNG. Gasunie commits itself to accelerating the energy transition and to the realization of a climate neutral energy supply. For more information, go to www.gasunie.nl.

About GRTgaz

GRTgaz is a world expert in gas transmission networks and systems and a leading European gas transmission system operator. In France, GRTgaz owns and operates more than 35,000 km of buried pipes and 26 compression stations used to ship gas between suppliers and consumers. GRTgaz is committed to ensuring security of supply to consumers, connecting territories and communities with great care for the environment. GRTgaz delivers innovative and accessible solutions to accelerate and secure a successful energy transition by connecting the energies of tomorrow, driving the growth of renewables and new uses for gas while fostering synergy between electricity and gas systems. For more information, go to www.grtgaz.com.



Gas for Climate press release

About ONTRAS

ONTRAS Gastransport GmbH is a German gas transmission system operator in the European gas transport system based in Leipzig. ONTRAS operates Germany's second-largest gas transmission system, with approximately 7,000 km of pipelines and about 450 interconnection points. The green side of ONTRAS has been at the heart of our company culture for many years. Our goal is to reach a 100% carbon-neutral gas supply by 2050. There are currently 22 biogas plants connected to the ONTRAS transmission network injecting 180 million cubic meters of biomethane every year – approximately 17% of the total German biomethane in the gas network. Furthermore, two power-to-gas facilities are currently connected to the ONTRAS network converting electricity generated by wind turbines into hydrogen which is then injected into our grid. We work together with a variety of partners to examine the possible application of hydrogen and explore the massive potential of our own infrastructure for the transport of renewable energy. For more information, go to www.ontras.com.

About OGE

With a gas transmission system spanning 12,000 kilometres, OGE, seated in Essen, is among Europe's leading transmission system operators. Two thirds of natural gas consumed in Germany flows through our pipeline system, comprising about 100 compressor units and about 1100 exit points. All over the country, our approximately 1,450 staff ensure safe, environmentally friendly and customer-oriented gas transmission. We also offer the technical and commercial services to go with it, and we provide commercial, technical and IT services for other companies on the basis of third-party arrangements. Moreover, we actively support the European gas market and work together with the European distribution network operators to create the prerequisites for transnational gas transportation and trading. For more information, go to www.oge.net/en.

About Snam

Snam is one of the world's leading energy infrastructure operators and one of the largest Italian listed companies in terms of market capitalization. Through its international subsidiaries, it also operates in Albania, Austria, China, France, Greece, India, UAE and UK. The company has the largest natural gas transmission network and storage capacity among European peers and is also one of the main operators in regasification. As part of a €7.4 billion plan to 2024, Snam invests to make its infrastructure hydrogen ready and develop new energy transition businesses such as sustainable mobility, biomethane and energy efficiency. Snam also aims to enable and promote the development of hydrogen to foster decarbonisation in the energy sector and industries. Snam's business model is based on sustainable growth, transparency, the promotion of talent and diversity and the social development of local areas through the initiatives of Fondazione Snam. For more information about the company, please visit www.snam.it.

About Swedegas

Swedegas, part of Nordion Energi, is specialized in gas infrastructure with the aim to drive the energy transition and becoming the first gas grid in Europe with 100% green gas. We operate the gas grid in Sweden, which extends from Dragör in Denmark to Stenungsund in Sweden and transports energy to distributors and customers with direct links. The gas grid supplies 33 municipal areas and several combined heat and power plants and is also used in more than 34,000 households and in the transport sector. Swedegas is the hub of the gas market and we assume full responsibility for the long-term development of the gas grid and for ensuring the market has safe, effective and assured access to gas. For more information, go to www.swedegas.com or www.nordionenergi.se/en.

About Teréga

Teréga has a network of more than 5,000 km of pipelines and two underground storage facilities, representing 16% and 24% of national capacity respectively. Teréga is a major player in energy and has been located in South-West France for over 70 years. As part of its public-service



Gas for Climate press release

obligations, Teréga transports natural gas to more than 400 delivery stations in the most secure, cost-effective, and reliable conditions. Teréga enjoys a strategic position in Europe, where it provides interconnections that guarantee security of supply. Teréga is aware of the vital role of renewable gases in the energy transition. Teréga wants to help accelerate the green revolution through increasing involvement in biomethane, natural gas for vehicles, and Power to Gas. For more information, go to www.terega.fr.

For questions about the study, please reach out to: Daan Peters – daan.peters@guidehouse.com

About Guidehouse

Guidehouse is a leading global provider of consulting services to the public and commercial markets with broad capabilities in management, technology, and risk consulting. We help clients address their toughest challenges with a focus on markets and clients facing transformational change, technology-driven innovation and significant regulatory pressure. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we help clients create scalable, innovative solutions that prepare them for future growth and success. Headquartered in Washington DC, the company has more than 7,000 professionals in more than 50 locations. Guidehouse is led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets and agenda-setting issues driving national and global economies. For more information, please visit: www.guidehouse.com.