



Ms Temenuzhka Petkova
Chair of the Energy Council
Minister of Energy
Triaditsa Str. 8
Sofia, 1000
Bulgaria

8 June 2018

Letter to the Energy Council meeting on 11 June 2018

Dear Minister Petkova,
Dear Ministers of the EU Member States,

The adoption of the “Clean Energy for All Europeans” package will be a milestone in the energy transition. GasNaturally - representing more than 300 companies along the gas value chain - appreciates the efforts of the Bulgarian Presidency in that respect.

The gas industry has been delivering reliable, affordable and cleaner fuel to the EU consumers for decades and we are ready to play a key role to support the EU in its climate and energy goals.

In view of your meeting on 11 June, we would like to highlight key opportunities offered by gas to help the EU reduce greenhouse gas (GHG) emissions, while ensuring energy security, flexibility and affordability.

Governance Regulation

As Member States are preparing integrated national energy and climate plans and long-term low-emission strategies, here are some of the solutions that our industry can offer to ensure the most affordable and effective energy transition:

- Substitution of coal with gas in power generation
- Backup of variable renewables with gas-fired generation
- Combined heat and hydrogen used in industry
- Highly efficient domestic heating appliances, including gas/electric hybrid technology
- Transport solutions, including the use of liquefied natural gas for trucks and ships
- The expansion of biomethane production and injection into gas grids
- Sector coupling through power-to-gas technology
- Carbon capture and storage/use in connection with various uses of gas



Renewable Energy Directive

Europe's 2050 decarbonisation objectives can be reached more affordably by integrating renewable gas alongside renewable electricity¹. Equitable treatment of renewable electricity and renewable gas in the Directive will make this happen. More specific references to renewable gases, e.g. biomethane, as well as hydrogen and synthetic gas produced with surplus renewable electricity, would help achieve this.

Energy Efficiency Directive

A switch to gas from higher-carbon fuels not only reduces carbon dioxide emissions cost-effectively, it also provides gains in energy efficiency. For example, replacing a traditional oil boiler with a condensing gas boiler delivers efficiency gains of up to 65%. Micro-CHP and gas heat pumps rank even better at A++.

For these reasons, it is essential that the default Primary Energy Factor for electricity corresponds to the efficiency of the current EU energy mix. Otherwise, inefficient heating equipment would be moved into higher labelling classes.

Targets

Member States should have full flexibility in achieving the targets. This is crucial to ensure maximum and the most cost-effective progress because significant levels of investment will be required to meet the EU's climate goals and inefficient use of funds would only place an unnecessary financial burden on consumers.

The chosen targets should not influence the development of the carbon price under the ETS Directive, which will continue to be a powerful and cost-effective tool to reduce GHG emissions and to achieve compliance with the Paris Agreement. The ETS is growing even more in significance as since 2014 GHG emissions in the EU only declined in 2016 (by 0.4% compared with 2015), and increased again in 2017 (by 0.3% compared with the previous year).

Phasing out higher carbon fuels is very important. The UK has drastically reduced its carbon dioxide emissions in power generation thanks to phasing out coal and increasing the use of natural gas and renewables.

I wish you successful discussions,

Marco Alverà
President of GasNaturally

¹ €140bn savings a year, according to the Gas for Climate Consortium <<https://www.gasforclimate2050.eu/>>