European Civil Society Gas Manifesto

EU climate and energy policies must deliver a fossil gas phase out in Europe by 2035.

The European Green Deal can only succeed if it aligns the EU's future use of fossil gases with its obligations under the Paris climate agreement, and the EU's mid- and long-term climate and energy objectives.

For the EU to achieve its newly agreed 2030 target to cut greenhouse gas emissions by at least 55%, the European Commission projects European fossil gas use to reduce by 32-37% of final consumption by 2030. This is insufficient. Gas demand already peaked in the last decade in the majority of EU countries and dropped in 2019 by more than 10% to 40% compared to the respective peak years (1). Fossil gas consumption will be reduced through applying the energy efficiency first principle, electrification and shifting to 100% renewables. Burning fossil gas not only produces carbon dioxide (CO2), its extraction and transmission also emits methane, a greenhouse gas with an 86 times stronger climate warming potential than CO2 over a 20-year timeframe. Methane emissions occur across the entire fossil gas supply chain and need to be drastically reduced.

NGOs are calling for Europe to phase out fossil gas by 2035 at the latest. This is necessary for the EU to contribute towards its fair share of limiting global temperature rise to 1.5°C, as agreed under the Paris climate agreement. An upward revision of the EU's Nationally Determined Contribution by 2025 is likely to impact on the EU's 2030 climate and energy targets and further deepen the trajectory post 2030. National Energy and Climate Plans should include intermediate steps for gas phase out plans by 2025 and 2030. **Regulatory and fiscal incentives need to support reduced fossil gas use and ultimately a fossil gas phase out.** A robust set of policy proposals (2), high on the political agenda in 2021, needs to address the following:

1. **Put people at the centre of the transition** by giving everybody the possibility to choose the best available technologies contributing to climate neutrality, avoiding people slipping into energy poverty and allowing for a just transition. Special public funding support should be established to support people moving away from fossil gas and to end energy poverty. Regulatory tools should make it clear which options are not aligned with climate neutrality and which financial tools support access to alternatives. Citizens should be involved in drawing up local plans to transition away from fossil fuels.

2. **No support for the construction or retrofitting of fossil gas infrastructure.** The EU has all the fossil fuel infrastructure it needs to ensure security of gas supply. Further infrastructure construction would create stranded assets and should not be publicly facilitated through financial support or other assistance. Therefore no new fossil gas infrastructure projects should be included in the 5th list of projects of common interest, which the Commission is due to adopt later this year. According to recent research no new fossil gas infrastructure is needed, but electrification with renewable energy sources is key. Furthermore, there should be a clear priority to decommission existing gas infrastructure or repurpose parts

of it to transport pure renewables-based hydrogen. Only localised infrastructure segments linking hydrogen production and consumption points should be constructed. Retrofitting existing infrastructure for blending hydrogen into the fossil gas mix must not be supported.

3. Immediately end fossil fuel subsidies. Fossil fuel subsidies have increased by 4% since 2015, despite the EU's global commitment to phase them out by 2025. The EU should end all fossil fuel subsidies, including for fossil gas, immediately to align with the Paris Agreement, the Energy Union Governance Regulation and the European Green Deal. 84% of EU citizens support removing fossil fuel subsidies in favour of support for renewable energy and energy savings. Fossil gas projects across the full supply chain, including hydrogen produced from fossil gas and coupled with carbon capture and storage (CCS), also referred to as "blue hydrogen", should not be eligible for public funding.

4. A central role for independent and science-based decision making. Remove the entanglement of fossil fuel interests in defining infrastructure needs and instead make independent science the guiding principle. Transparency and good governance are key to avoid conflicts of interest as experienced with energy infrastructure planning (TEN-E and related policies) and in the Clean Hydrogen Alliance where the hydrogen industry is closely involved in defining and choosing future hydrogen projects. Governance mechanisms should be put in place to ensure that transition periods for fossil gas and fossil-based hydrogen have clear end dates.

5. Prevent the fossil gas industry's continuation through hydrogen and blending. Only hydrogen produced with additional renewable electricity through electrolysis can bring about a climate benefit in line with climate neutrality and the temperature goals of the Paris Agreement. Hydrogen produced with fossil gas worsens the climate crises. The application of CCS, so far unavailable at scale, does not remedy this to the extent necessary. Almost all hydrogen consumed in the EU today is produced with fossil gas. Expanding the use of hydrogen could justify continued fossil gas investments, creating a lock in effect. Renewable hydrogen is often referred to as the "champagne" of the energy transition as substantial energy losses during conversion and transport will make it a scarce and expensive resource. Therefore, independent assessments conclude that its use should be limited to those sectors where direct use of renewable electricity is technically difficult, such as high-temperature processes in the steel and chemicals industries, aviation, and long-distance shipping. Hydrogen should not be used to heat homes or for passenger cars. Fossil gas, as well as the certification of "blue" and "low carbon" hydrogen must not be integrated into the Renewable Energy Directive, which should only address renewable energy.

6. Fossil gas should not be labelled as sustainable. Sustainable finance labels such as the Taxonomy Regulation and legislation such as the Renewable Energy Directive should not label the use of fossil gas as "green" and economic strategies, such as recovery and resilience plans, should not increase exposure to gas assets likely to be stranded.

7. Ensure adequate financial and technical resources are available for the energy transition. Enable a transition from coal to sustainable renewables and energy savings, avoiding a second lock-in into fossil infrastructures and fossil-based jobs. Instead, support regions and cities currently highly dependent on fossil fuels, including fossil gas, to develop Paris-aligned transition plans and secure adequate financial and technical support. A targeted

research and innovation agenda should be established for those areas where the solutions are not yet market ready (e.g. long term storage).

(1) Those countries include France, Hungary, Italy, Lithuania, Latvia, Romania, Slovakia, Denmark, Bulgaria and Slovenia.

(2) The revisions of the Trans-European Energy Infrastructure Regulation, the Renewable Energy Directive and of the Gas Market Rules, the EU Emissions Trading System, the Taxonomy Regulation and its delegated act, the Energy Taxation Directive, the Energy and Environmental State Aid Guidelines, the Recovery and Resilience programming plans, Just Transition or other EU funds, legislation on methane, the Carbon Border Adjustment Mechanism and the work of the European Clean Hydrogen Alliance.