



Frans Timmermans, Executive Vice President
Thierry Breton, Commissioner for Internal Market
Kadri Simson, Commissioner for Energy
European Commission
Rue de la Loi 200 - Brussels

Brussels, 18 June 2020

Subject: Renewable and decarbonised gases, sector coupling, and innovative heating technologies - key enablers for a fast, safe and affordable decarbonisation of buildings

Dear Executive Vice President Timmermans,
Dear Commissioner Breton,
Dear Commissioner Simson,

The upcoming communications on Energy System Integration, Hydrogen and the Renovation Wave are important steps on the road to climate neutrality. We fully support these strategies which are even more important in the context of the EU economic recovery plan.

At Cedec, Cogen Europe, EBA, EHI, Eurogas, GCP Europe, GD4S, GIE, Liquid Gas Europe, Hydrogen Europe, we are convinced that heating solutions based on renewable and decarbonised gases, including biomethane, hydrogen, synthetic methane and bioLPG, are essential for a fast, safe, affordable and sustainable decarbonisation of the building sector, in urban as well as in rural areas. Complementing electricity-based heating technologies as well as efficient and renewable-based district heating, they bring much-needed contributions to flexibility and resource adequacy to the whole energy system.

From our point of view, an enabling framework for smart sector coupling builds on 5 policy goals:

Drive a diversified heating energy carrier mix by 2050: A diversified heating energy carrier mix including renewable and decarbonised gases supports affordable and cost-optimal decarbonisation of the building stock towards 2050.

Optimise the use of existing gas infrastructures to facilitate the decarbonisation of transport, industry and buildings: A smart mix of heating solutions, based on both renewable and decarbonised electricity and gases supports the decarbonisation of the energy system, reducing overall costs by optimising the use of existing infrastructures.

To achieve EU climate goals in the long-term, the Renovation Wave should consider national and regional specificities; for example, a switch from coal to gaseous fuels in coal-reliant regions of Europe.

Tap the potential of innovative heating technologies in the EU Renovation Wave:

Investments to support the installation of efficient and renewable-based heating systems on and off the grid, equipped with digital demand response capabilities and all types of energy storage, are key enablers to decarbonise buildings, including in rural areas. Modern heating technologies such as gas heat pumps and hybrids, condensing boilers, micro-cogeneration including fuel cells already work with biomethane, synthetic methane and shares of hydrogen. These technologies can accelerate the uptake of renewables, deliver large aggregated emission reductions and reduced energy bills. It is a no-regret for both staged and deep renovation.

Secure investments in renewable and decarbonised gas supply with:

- Binding EU-level targets for renewable and decarbonised gases in the grid, as part of a comprehensive roadmap to deliver them across all end use sectors;
- Fair rules for gas injection, distribution and use, to support the different national / regional approaches to decarbonise gases by 2030 and 2050;
- An EU-wide Guarantees of Origin system for renewable and decarbonised gases.

Prepare the integration of renewable and decarbonised gases in the energy system:

- Develop gas transportation rules that are fit for cross-border exchange of hydrogen and biomethane in the internal gas market, at transmission level;
- Further explore the use of existing gas infrastructures for transmission and distribution of hydrogen, in blending with methane or not;
- Allow the retrofitting and upgrading of current gas storage infrastructures for decarbonised and renewable gases, including hydrogen, to enhance investor confidence and lower costs of the energy transition. For supplying peak heating demand and the increasing peak electricity demand (via cogeneration), the gas infrastructure (incl. storage), is crucial to allow for a quick and cost-efficient progress in the decarbonisation of the entire energy system, and the heating sector in particular;
- Synchronise decarbonisation of gas and market uptake of end-use appliances able to process hydrogen-(bio)methane blends or pure hydrogen; for example, under Ecodesign and energy labelling regulations, and stimulate the modernisation of the installed stock via scrappage schemes of old and inefficient heaters under the Renovation Wave.



With these measures, the upcoming communications on Energy System Integration, Hydrogen and the Renovation Wave can be a decisive contribution to the success of the European Green Deal and the EU economic recovery.

We look forward to receiving your reply and joining forces behind our common goals.

Yours sincerely,

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About CEDEC

The European Federation of Local and Regional Energy Companies (CEDEC), located in Brussels, represents the interests of more than 1.500 local and regional energy companies, serving 85 million electricity and gas customers and connections and with a total turnover of €120 billion. CEDEC was founded in 1992 in Brussels and has been actively advocating the interests of local and regional companies active in the fields of electricity, gas and district heating at European level. www.cedec.com

About COGEN Europe

COGEN Europe, the European Association for the Promotion of Cogeneration, is the cross-sectoral voice of the cogeneration industry. Its mission is to work with EU institutions and stakeholders to shape better policies and eliminate administrative, regulatory and market barriers to the wider use of cogeneration in Europe. www.cogeneurope.eu

About EBA

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 over 100 national organisations, scientific institutes and companies from Europe and beyond. www.europeanbiogas.eu

About EHI, the Association of the European Heating Industry

EHI represents 90% of the European market for heat and hot water generation, heating controls and heat emitters, 75% of the hydronic heat pump market, 80% of the biomass central heating market (pellets, wood) and 70% of the solar thermal market. EHI Members produce advanced technologies for heating in buildings, including: heating systems, burners, boilers, heat pumps, components and system integrators, radiators, surface heating & cooling and renewable energy systems. In doing so, they employ about 120,000 people in Europe and invest over a billion Euros per year in energy efficiency. www.ehi.eu

Eurogas

Eurogas is a European gas industry association representing 48 companies and associations engaged in gas wholesale, retail and distribution in Europe. www.eurogas.org

About GCP Europe

GCP Europe is the voice of the efficient building engineering services. GCP Europe represents and promotes the interests of the Building Services Engineering Sector: plumbing and HVAC at the European Union level, paving the way for policies conducive to a stable business



environment in which its members operate. GCP Europe counts 16 member associations in 13 countries. www.gcpeurope.eu

About GD4S

Gas Distributors for Sustainability (GD4S) gathers the main gas DSOs in 7 European countries: France, Greece, Ireland, Italy, Portugal, Romania and Spain. GD4S advocates for the role of gas grids in the energy transition as the most efficient and readily available way to deliver renewable energy to final customers through an increasing use of renewable gases. www.gd4s.eu

About GIE, Gas Infrastructure Europe

Gas Infrastructure Europe (GIE) is the association representing the interests of European gas infrastructure operators active in gas transmission, gas storage and Liquefied Natural Gas (LNG) regasification. GIE is a trusted partner of European institutions, regulatory bodies and industry stakeholders. GIE currently represents 69 member companies from 26 countries. GIE's vision is that by 2050, the gas infrastructure will be the backbone of the new innovative energy system, allowing European citizens to benefit from a secure, efficient and sustainable energy supply. www.gie.eu

About Hydrogen Europe

Hydrogen Europe is the European association representing the interest of the hydrogen and fuel cell industry and its stakeholders. We promote Hydrogen as the enabler of a zero-emission society. With more than 160 companies, 78 research organisations and 23 national associations as members, our association encompasses the entire value chain of the European Hydrogen and fuel cell ecosystem collaborating in the Fuel Cell Hydrogen Joint Undertaking. We are a Brussels-based association fostering knowledge and pushing for fact-based policy making ensuring that the European regulatory framework enables the role of Hydrogen in our society. For more information, please visit www.hydrogeneurope.eu

About Liquid Gas Europe

Liquid Gas Europe is the European LPG association. Its membership is composed by national LPG associations, the main European LPG suppliers, distributors and equipment manufacturers. With the support of its working groups of industry experts, Liquid Gas Europe is actively involved in concrete initiatives and programs to ensure the sustainable, safe and efficient development of LPG and bioLPG in Europe. www.liquidgaseurope.eu