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Gas-based generation in the EU Taxonomy: A step in the right direction, though adaptations are needed

Gas-based generation – both as power-only and cogeneration installations used in district heating or for industrial applications – is an essential contributor in the transition towards a climate-neutral energy system and society. In the longer term, gas-based solutions will provide climate-neutral energy thanks to the use of renewable and low-carbon gases, or in combination with the Carbon Capture Use and Storage technologies.

The signatories welcome the inclusion of gas-based generation in the European Commission's Taxonomy draft Complementary Delegated Act (DA). However, there are some aspects that should be amended in the final text in order to adequately recognise the role of gas power generation and fully benefit from its contribution to a decarbonised and integrated energy system.

Recognising the contribution to system reliability and grid stability

The replacement of coal installations is an important step to support a fast overall GHG emission reduction. Unfortunately, the draft ignores the other key contribution of gas-based generation to the energy transition: Gas plants enable the further build-up of renewable energy, while ensuring the stability of the electricity grid and security of supply. This is an increasingly important role as more intermittent renewables are introduced into the energy system and end-use electrification increases power demand. However, the proposal lacks the recognition of the role of gas power plants as back-up to complement electrification and enable more intermittent renewables in the system. **The technical screening criteria should include the use of gas power plants as back-up capacity in addition to coal-to-gas switching.**

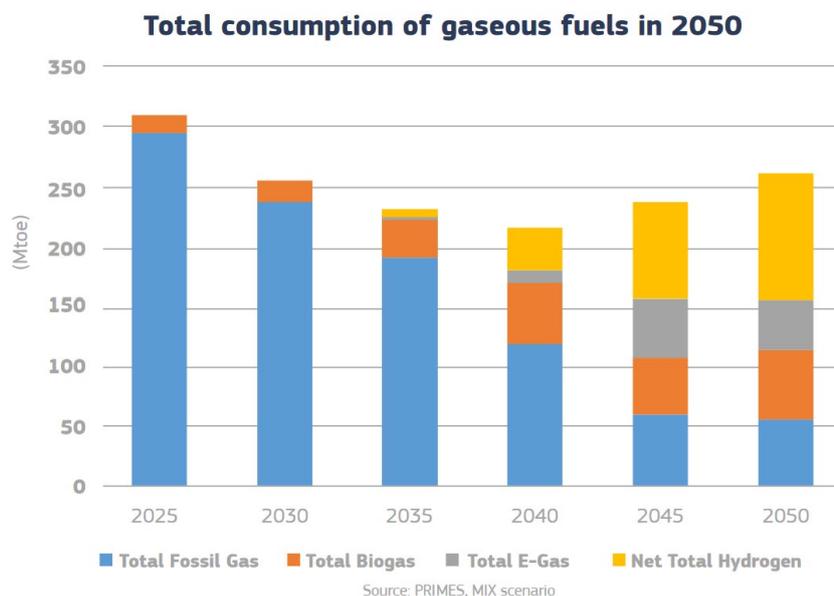
Acknowledging the trend towards decentralisation and system integration

Given the trend towards a decentralisation of the energy system and the fact that coal-fired power plants are very large installations, **it should be acknowledged throughout the technical screening criteria that the replacement may be made by several, smaller facilities** in aggregate.

In addition, the on-site cogeneration brings energy and emission savings for the energy system as a whole. It is therefore important to correctly assess the emission reduction benefits of CHP systems, taking into account displaced emissions on-site and nearby. Also, the replaced capacity may be exceeded by up to 15% (thermal capacity) – similar to the criteria outlined for electricity generation.

Aligning the ambitions for the use of all renewable and low-carbon gases

The compatibility with the co-firing of all relevant low-carbon and renewable gases is an important feature, which can be ensured with the equipment of our members – guaranteeing that investments are future-proof. However, **the proposed timeline and %-shares deviate from the evolution communicated in the EU Gas Decarbonisation & Hydrogen package** (see the graph from the European Commission's [Fact Sheet](#) in the next page) and published national plans on the decarbonisation of gas networks. Moreover, the text refers exclusively to renewable/low-carbon fuels of non-biological origin such as renewable or low-carbon hydrogen and derivatives, leaving out key industries that rely on locally sourced **sustainable biogas and bioliquids**.



A full switch to renewable or low-carbon gases will depend on their availability – and at the moment is not clear that this will happen in the same timeframe as the implementation of the DA. Therefore, meeting the timeline and % share of renewable and low-carbon gases requires a commitment of the EU and Member States to provide the necessary gases in time, as well as periodic reviews and adjustments to the DA to reflect reality (see suggested new Article 2a). The criteria must also reflect the **co-firing of sustainable biogas and bioliquids**, frequently produced as a side product and utilised efficiently in industrial cogeneration.