

VIEWS ON THE WHITE PAPER ON RENEWABLE ENERGY SOURCES

BENEFITS OF RES

1. Eurogas welcomes the publication of the White Paper and supports the initiative to encourage the development of Renewable Energy Sources (RES). Eurogas recognizes that the increased use of RES will bring benefits. Like natural gas, RES can contribute to the EU's environmental goals in particular climate change policy. The policy on renewables will be a key area for study in the post-Kyoto strategy. In addition, by enhancing the indigenous energy base of the EU, greater use of RES will increase security of supply.

PROMOTE USE OF RES WITH NATURAL GAS

2. Natural gas because of its clean properties will build a bridge to an ever more sustainable future. Its use particularly when replacing other more polluting fossil fuels will make a significant contribution to the EU's environmental goals. The environmental qualities of natural gas and the efficiency benefits afforded by the newest gas-fired technologies contribute both to climate change strategies and improved air quality. These advantages can be used to boost RES use, in hybrid schemes.
3. The gas industry is already exploring the potential of combining the use of gas with different RES. Examples include : the application of gas-driven heat pumps to circulate water through solar collectors ; natural gas condensing appliances to provide "active energy" in low or passive energy dwellings, in combination with solar collectors, photovoltaic modules or geothermal heating ; combined use of natural gas and biofuels. These schemes would have long-term potential and offer enhanced supply security, in view of the diversified and readily available sources of gas well into the next century, and the gas industry's proven ability to meet customers' needs. It is regrettable in this connection that the White Paper refers to *geopolitical risks of long-term security for gas supplies*. Such concerns are unjustified and should not be identified as a consideration in an RES strategy.
4. Eurogas calls for increased funding opportunities for research and development in the use of RES with natural gas.

FINANCIAL FRAMEWORK FOR RES

5. The economics of RES and ways in which their viability can develop without introducing market distortions is a key consideration. In recent years, RES have become more market competitive, resulting from improved technology. Eurogas, however, accepts the idea of using incentives to help the initial entry of RES until a market for RES is established ; priority should be given to the RES which are on course for economic viability and/or would bring very positive benefits to the environment, although evaluation of the latter should take account of a comprehensive life cycle analysis of environmental impact. Any source of energy has an environmental impact, also RES.
6. Consideration should be given to the setting-up of green label and similar schemes which would promote on a fair basis electricity production from the least polluting fuels, RES as well as natural gas.

BIOGAS POTENTIAL

7. Eurogas questions why the White Paper does not refer to biogas. As the Commission's recent strategy paper for reducing methane emissions recognizes, if technologies to recover and to use the methane emitted were installed in new landfills, significant savings of methane could be achieved (its use directly on site, or by the network depending on local conditions and economic considerations). Consequently biogas collection from landfills should be included in the RES strategy, and consideration given to appropriate incentives.

A FLEXIBLE POLICY FRAMEWORK

8. Eurogas endorses a flexible approach in the policy framework to promote RES use, not involving centralized planning or regulation. Voluntary initiatives should be a key part of the strategy. Actions of the various Member States should be respected, with due regard to the principle of subsidiarity. Nevertheless, co-ordination among Member States could help to maximise benefits and reduce costs. The location of RES projects should be optimised because their economic performance often depends on geographical and weather conditions.
9. Eurogas endorses the proposal to monitor developments regularly. This will allow timely assessments to be made of any need for policy adjustment.

A ROLE FOR THE GAS INDUSTRY

10. In general, Eurogas supports the strategy to promote RES. Eurogas recalls that increased use of gas will be necessary to contribute to the Community's environmental goals, and natural gas use with RES offers an additional policy instrument towards these objectives.

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At EU and national level, the gas industry will approach authorities and other interested parties to explore and promote hybrid developments.

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