

2050 Carbon Neutrality: A Eurogas Vision for an Affordable Energy Transition

Brussels, 30 June 2020. Today sees the launch of the Eurogas study a ‘Pathway to a carbon neutral 2050: the role of gas’, commissioned with international consultant DNV GL. The study achieves the EU’s climate goals at significantly lower costs than European Commission estimates and stresses the need for the development of a hydrogen economy in the 2020s.

James Watson, Eurogas Secretary General, commented: ‘The study demonstrates that the EU can save €4.1 trillion by 2050 – an amount equivalent to Germany’s annual GDP in 2018 – by using a mix of energy carriers to achieve carbon neutrality. Major cost savings in applying this approach in the buildings sector are particularly key to saving this huge amount of money. This finding is of high importance as Europe needs funds to recover from Covid-19.’

He added: ‘The Eurogas study shows that to achieve carbon neutrality by 2050, Europe must start the hydrogen economy now. There is no time for delay. This includes all clean hydrogen options: reforming natural gas through CCS, producing hydrogen from renewables, as well as blending it with methane. The need for CCS is not an option, it is a necessity – if we are to reach our climate ambitions.’

The Eurogas study shows that climate objectives can be met more cost-effectively by using existing assets, limiting subsidy schemes, and leaving market fundamentals in place. The subsidies required to incentivise consumers to choose decarbonised energy are €10.1 trillion (80%) lower in the Eurogas scenario. Further cost savings are made by repurposing the existing gas infrastructure instead of building new electricity infrastructure.

Eurogas commissioned DNV GL – an international consultancy – to assess a pathway to a carbon neutral future, comparing it to the European Commission’s 1.5TECH scenario, outlined in the 2050 long-term decarbonisation strategy. The Eurogas study investigates these scenarios further to understand what would need to change in both our society and our energy mix. This study demonstrates the savings associated with the scenarios that achieve carbon neutrality in 2050 while using a variety of energy carriers. Gas uses the infrastructure Europe already has, reducing the need for costly electricity infrastructure to be built.