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Policy Paper | 09.11.2021

## Alternatives to gas projects on the 5th PCI are possible

In the middle of COP26, a Green/EFA proposal to replace fossil gas projects with projects to achieve a 100% renewable based energy system

### Why is the 5th PCI list unacceptable?

#### **International momentum**

- COP 26, the climate conference in Glasgow, is in full swing; the objective is to keep the 1,5°C target within reach, and for that we need to stop financing fossil fuels. As countries are committing in Glasgow to stop financing fossil fuels, the EU should stop its support for fossil fuels not only abroad but also at home, and redirect financial resources to renewable energies and energy efficiency.
- 6 years after the Paris Agreement, the current climate objectives by countries throughout the globe are leading us to a catastrophic warming ... We must do more and faster!

#### Stop fossil fuels!

- Moving away from fossil fuels is key, as they still account for 80% of the world's final energy consumption.
- According to the International Energy Agency (IEA), aiming for a 1.5°C trajectory necessarily implies cutting all investments in the exploration or extraction of all fossil fuels à States must accelerate the shift away from fossil fuels, including fossil gas, to an energy system based on renewables by 2040, and based on the principle of "energy efficiency first", while ensuring a just transition that protects the most vulnerable.
- The European Commission estimates that fossil gas consumption would have to decline by 36% by

2030 to meet the EU's climate target, but it still proposes that public and private investment should flow into gas-fired infrastructure and power plants.

#### Unacceptable proposal for the 5th PCI list

- The European Commission will present on 11 November, in the middle of the COP, a list of "priority" energy infrastructures ("PCI list") entitled to apply for public financing ... and gas projects are still high on this list!
- The fossil fuels projects on this 5<sup>th</sup> PCI list are totally misaligned with EU climate targets, it will sink scarce public money into unsustainable projects.

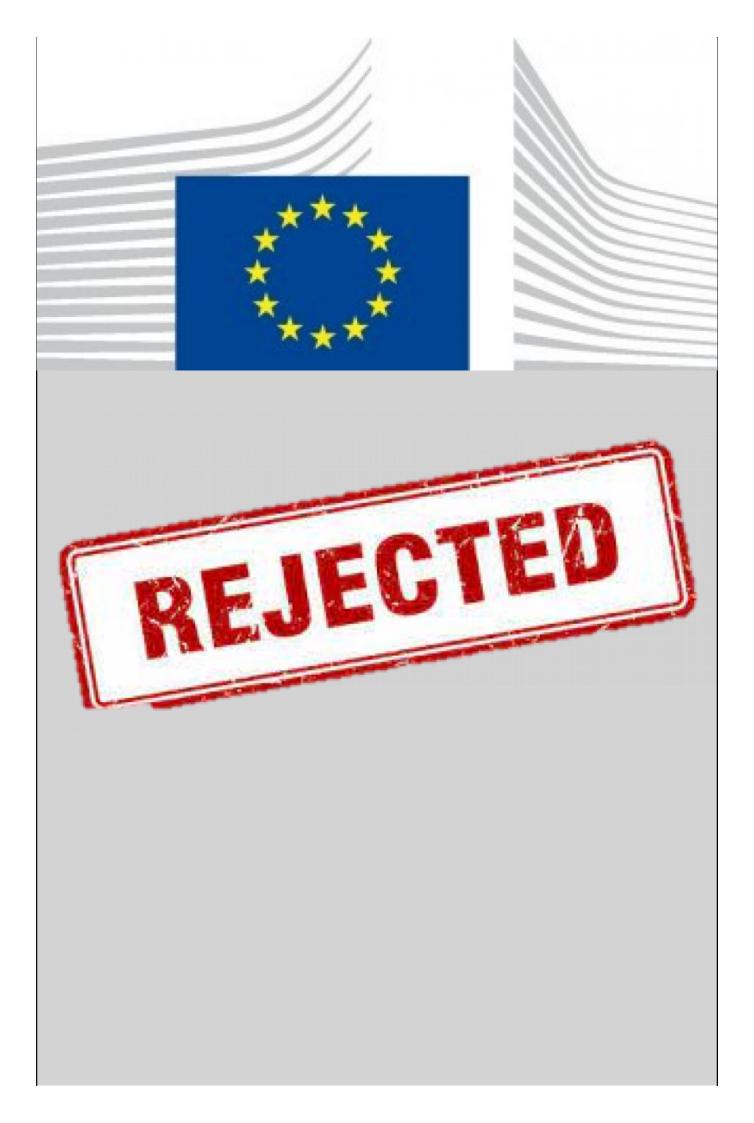
#### Legal obligation

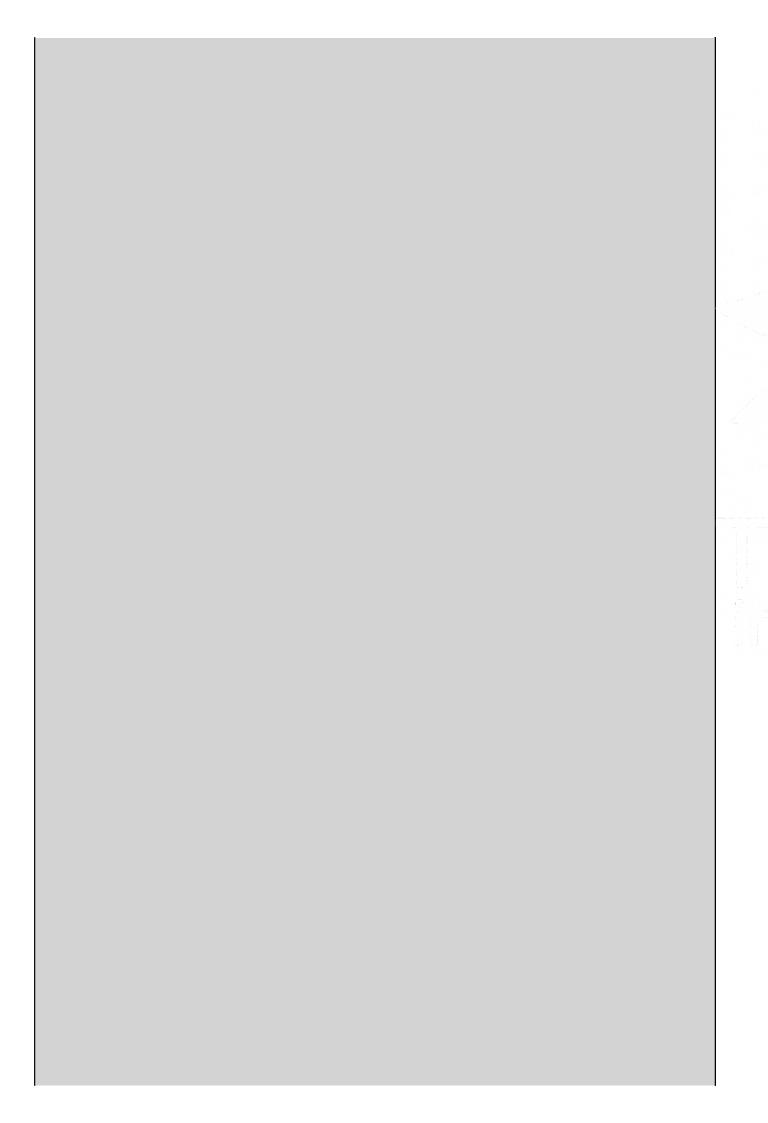
- The EU must respect Art. 2.1.c. of the Paris Agreement which obliges countries to align financial flows with the Paris Agreement temperature goal!
- On Art.6.4 of the EU Climate Law, the Commission is supposed to "assess the consistency of any draft measure or legislative proposal, including budgetary proposals, with the climate-neutrality objective set out in Article 2(1) and the Union 2030 and 2040 climate targets before adoption[...] When making its draft measures and legislative proposals, the Commission shall endeavour to align them with the objectives of this Regulation. In any case of non-alignment, the Commission shall provide the reasons as part of the consistency assessment referred to in this paragraph."

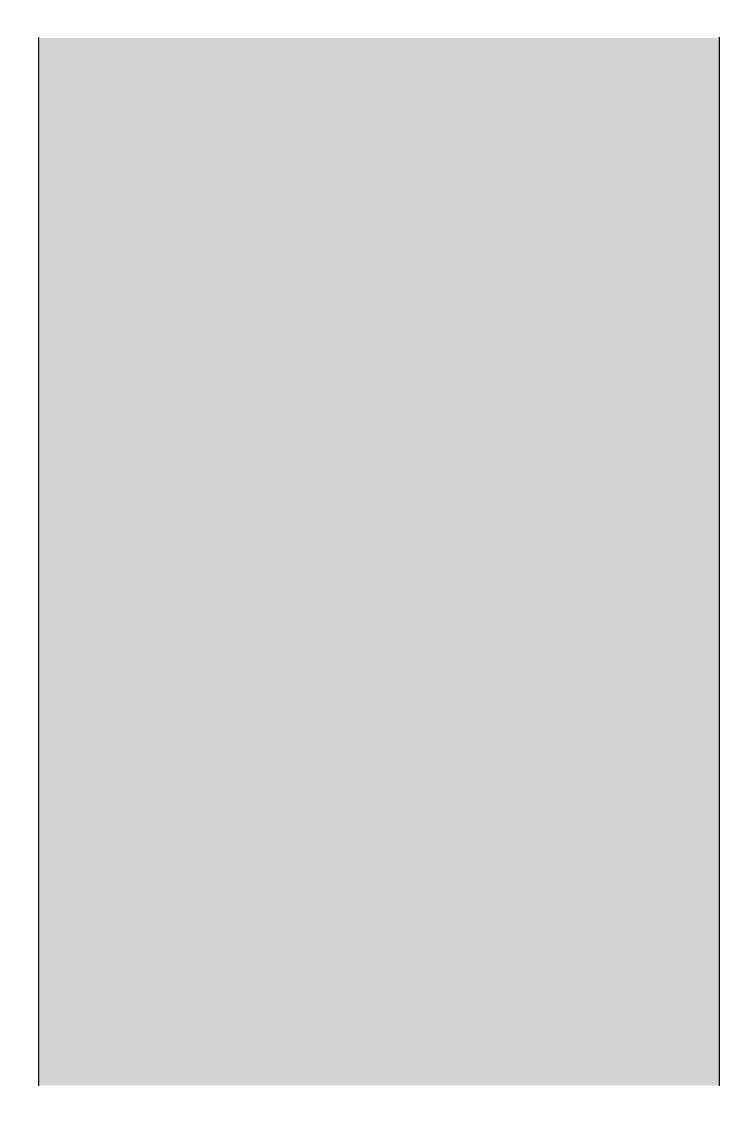
Alternative projects aligned with EU climate targets are available! Reject fossil gas projects and approve of alternatives with Greens/EFA

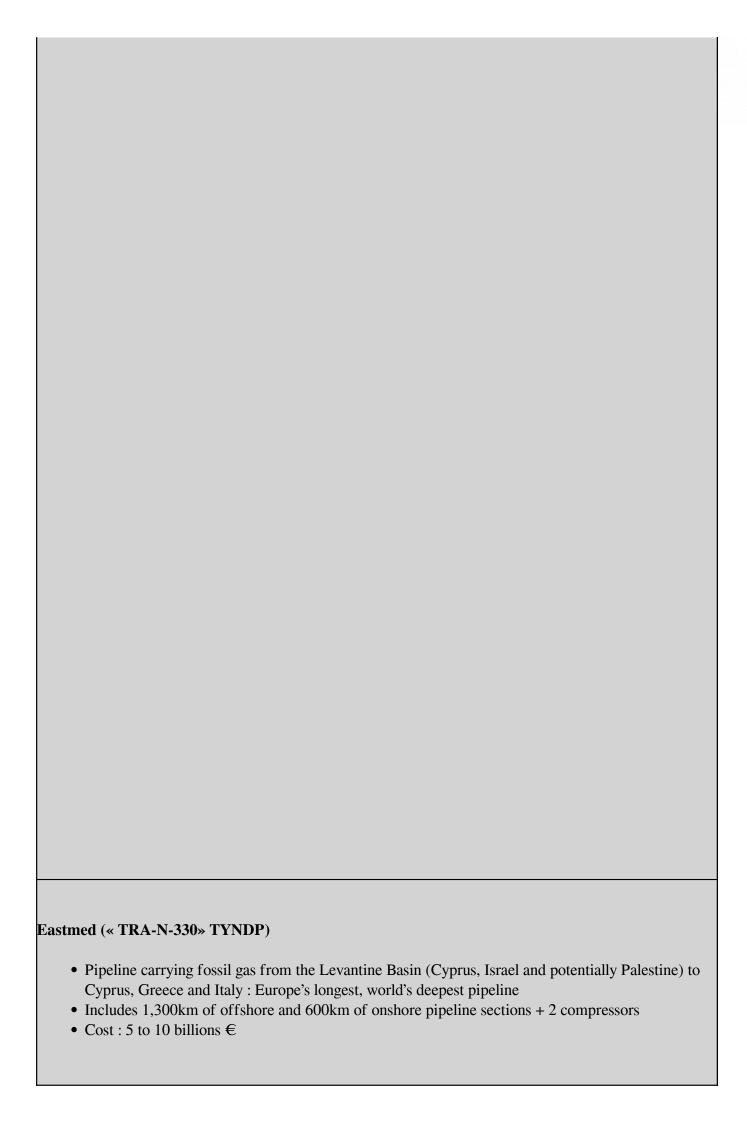
PCI list proposed by the European Commission

Examples of problematic gas projects









#### BRUA Bulgaria-Romania-Hungary-Austria (« TRA-A-1322 » TYNPD)

- Pipeline carrying fossil gas from Podișor (Romania) to Recaș (Hungarian border), to be part of a Bulgaria-Romania-Hungary-Austria gas interconnector: Fossil gas from Azerbaidjan and the Black Sea
- 479km natural gas trunk pipeline + 3 compressors; part of a 1300 km pipeline project
- Cost: 500 millions €

#### Melita « MTGP » (« TRA-A-31 » TYNPD)

- 159km offshore pipeline project + 7 km onshore, from Delimara (Malta) to Gela (Italy)
- Italian island already well connected to Italy by LNG terminals (only used at less than 25% of their capacities)
- Malta would be locked into fossil fuel while it has a high renewable potential

#### Additionnal LNG terminals

• Current LNG terminals are mostly underused. In many cases liquified gas is not used to heat households, but rather to produce plastics and fertilisers.

The current gas crisis has shown that LNG terminals are not the silver bullet to energy security and affordable and sustainable energy system

- **DOWNLOAD THIS PRESENTATION**
- SEE THE PCI LIST PUBLISHED BY THE COMMISSION AND ITS ANNEXES

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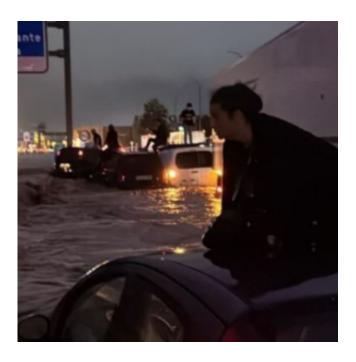
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Jutta Paulus

Member



Marie Toussaint

Vice-President



Heike Leberle

Energy Policy Advisor

### **Attached documents**

Alternatives to gas projects - Greens/EFA proposal
Draft Delegated Regulation 5th PCI list
Annex - Draft Delegated Regulation 5th PCI list

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