

Press Release

ENTSOG recommendations to support affordable energy prices and enhance competitiveness

(Brussels, 11 February 2025, PR0339-25) Following the publication of the EU Competitiveness Compass by the European Commission, ENTSOG released today its document "Decarbonising European Industry: Enhancing Competitiveness, Ensuring Affordable Energy Prices," which provides a set of recommendations for the forthcoming Clean Industrial Deal. ENTSOG highlights the critical role of reliable, secure, abundant, and affordable clean molecules with their infrastructures in developing an integrated and cost-effective energy system, building on synergies between electrons and molecules, with efficient CCUS.

ENTSOG recognises the crucial societal need of cost efficiency. Decarbonising industry and enhancing **competitiveness** is a major challenge that the EU needs to address through a massive scale-up of renewable and low-carbon capacity. Within this framework, the dual carrier and integrated energy system is expected to bring significant cost savings, as the **EU can rely on existing and resilient gas and biomethane networks, undergoing the repurposing to hydrogen and CCUS.** By exploring this potential, Europe can maximise locally produced volumes of energy, to enhance EU strategic independence. Next, the EU will need to reach CO2 storage and usage capacities, necessary for Net Zero 2050.

Moreover, two systemic needs must be urgently addressed: long term energy storage and flexibility in addressing the intermittency of renewable energies, despite stagnant electrification rates and an unclear business case for such services. ENTSOG explains how to operationalise the prospective business cases for flexibility and long-term storage, and how to allow hydrogen, and other clean molecules, play their strategic role in addressing those growing energy system needs.

To support the European industry under the upcoming Competitiveness Accelerator, the EU **policymakers should address the missing and uncertain volumes** of renewable and low carbon energy sources. Access to **combined national and EU financing** should be organised based on **technology neutrality** and lead to enabling infrastructures to be developed on-time, in scale and as cost effectively, as possible.



ENTSOG key recommendations are:

• Abundant and Affordable Renewable and Low-Carbon Molecules

To close the carbon budget of Net Zero by 2050, in a cost-efficient manner, the EU economy will need a diverse mix of clean energy sources, including both electricity and molecules, like hydrogen and biomethane, and effective CCUS.

• Cost-Effective Flexibility and Energy Storage

Flexible, secure, and smart infrastructure, with a focus on energy storage, is essential to deliver competitive energy. To deliver it and to attract relevant private investments, the EU needs to ensure that flexibility and energy storage needs are converted into clear and effective business models for renewable and low-carbon molecule infrastructure.

• Reaching Net-Zero with CCUS

CCUS is vital for decarbonising energy-intensive industries and achieving negative emissions. The EU needs a new financing mechanism and regulatory model to ensure the necessary infrastructure is built over the next 10-15 years. Without this, both the climate and industrial objectives of the Clean Industrial Deal cannot be achieved.

• Level Playing Field for Clean Investments

The EU should ensure technology-neutral support and funding, reform State Aid rules, and promote public-private partnerships, to focus on the most cost-effective decarb-onisation solutions to support the Clean Industrial Deal.

ENTSOG General Director Piotr Kuś, commented, "ENTSOG carefully proposes a set of solutions for a cost-efficient energy transition. Repurposing natural gas grids to serve industries with clean molecules and the energy system with flexible and dispatchable long term storage capacity is key for a sustainable energy future. We are committed to working closely with EU policymakers to ensure the successful implementation of these recommendations, to support the EU's Clean Industrial Deal and contribute to a sustainable and competitive European economy, while keeping our commitment to provide safety and security of supply."

The document is available <u>here</u> on ENTSOG's website.

Should you require any further information please contact Carmel Carey, External Communication Manager at <u>ENTSOG.Communications@entsog.eu.</u>

Editorial notes

The European Network of Transmission System Operators for Gas (ENTSOG) was founded in 2009 and has played a key role in facilitating integration of the European gas markets, ensuring technical interoperability and providing security of supply by gas infrastructure planning. Within the scope of Regulation (EU) 2024/1789 and other relevant legislation, ENTSOG is contributing to the net-zero decarbonisation by 2050 by the integration of renewable and low carbon gases via future-



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proof gas transmission pipelines, in line with the EU energy and climate goals. More information on ENTSOG can be found on our website – or contact <u>info@entsog.eu</u>.