Gas Distributors GD4S For Sustainability

From ambition to action: pragmatic solutions for an industry-oriented clean energy transition

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The year 2025 must mark a turning point for Europe's energy strategy, a year of bold and decisive action to move beyond ambition and deliver a concrete, actionable implementation plan.

A successful clean energy transition requires balancing clean energy production with demand while keeping it affordable. The upcoming Clean Industrial Deal must be firmly rooted in **technological neutrality**, embracing all available solutions in a **holistic system perspective** rather than excluding viable energy vectors on principle. By leveraging both **renewable molecules** and **electrons**, Europe can **maximise public and private investments**, accelerate clean technology innovation to **reduce fossil CO2 emissions quickly and cost-effectively**, and safeguard economic growth and stability.

Energy-intensive industries need pragmatic solutions

The decarbonisation of Europe's key energy-intensive sectors, such as **glass, steel, aluminum, ceramics**, and **chemicals**, requires **financial incentives**, **investment in competitive decarbonisation solutions**, and a **secure energy supply**.

Forcing businesses to adopt clean products or materials – or even greener processes – without addressing the actual availability of clean energy would be a **critical misstep**. Decarbonisation subsidies alone cannot counterbalance **energy prices volatility** and **technical bottlenecks**, which severely weaken companies' global competitiveness.

Europe cannot afford an energy system that reduces industrial competitiveness

No European business will be able to compete internationally without an **affordable, flexible, and resilient energy system.** Electrification of end users is **part of the solution**, but a **one-size-fits-all electrification approach** is a costly miscalculation that will **penalise many industries, especially energy-intensive ones**.

Many industrial processes require **high-temperature heat** that electrical systems alone cannot provide. Additionally, the **volatility of electricity prices** and **limited storage capacities** expose businesses to recurring risks. Infrastructure investments required to support a **fully electrified system** are prohibitively expensive and time-consuming, delaying urgent decarbonisation efforts.

To **break this cycle**, gas infrastructure remains a **strategic asset**, ensuring that industries have **secure and cost-effective** energy access. Gas networks manage **fluctuations in energy supply**, ensuring stability when **renewable electricity generation varies** or **demand peaks**.

Gas distribution grids also provide **renewable gases**, such as **green hydrogen and biomethane**, to regional and local industries—**the economic backbone of European communities**. These energy carriers can progressively replace **natural gas** in industrial processes, enabling industries to decarbonise **without costly infrastructure overhauls**.

Biomethane, as an **immediate and high-impact solution**, is fully compatible with **existing gas infrastructure**. It supports **circular economy principles**, enhances **Europe's energy independence**, and protects industries from **geopolitical and infrastructural risks**.

Green hydrogen strengthens gas networks as **strategic energy storage systems,** enabling the conversion of excess renewable electricity through **electrolysis**. This hydrogen can be **stored in gas infrastructure and transported for industrial use**.

To further optimise industrial decarbonisation, integrating **e-methane production** with **biomethane plants** can enhance the use of **biogenic CO2**, requiring **minimal adaptation of existing infrastructure**.

A Call to Action: supporting renewable gases in industrial policy

Europe's clean energy transition must be **pragmatic, not ideological**. It is essential to develop an ambitious yet realistic plan to scale up **renewable and decarbonised gas production** and **repurpose existing gas networks**. Renewable gases **are the only energy source capable of addressing electricity's limitations** while ensuring **industrial resilience**.

We urge the following actions:

- **Fully recognise renewable gases within emissions trading systems (ETS).**
- **Provide financial incentives to encourage industrial users to adopt green gases.**
- **Ensure technology neutrality** to unlock both **public and private investment** in fossil CO2 emissions reduction**,** whether through efficiency, renewable gas use, or carbon capture.
- **Support the scaling-up of renewable gas production and its efficient use**.

To accelerate **industrial decarbonisation**, policymakers must:

- **Safeguard industrial competitiveness** by ensuring a stable, cost-effective, and resilient energy supply, not limited to electricity.
- **Support energy-intensive industries with targeted funding for clean energy procurement, asset conversions, and the development of advanced low-carbon technologies to reduce fossil CO2 emissions.**
- **Commit to an integrated energy system approach, recognising renewable gases alongside electrification and the role of industry providing demand flexibility.**
- **Scale up biomethane and green hydrogen production** to replace fossil fuels effectively. National objectives must be **more ambitious** to facilitate **35 bcm of biomethane** and **10 million tonnes of green hydrogen production by 2030**.
- **Leverage the potential of gas DSO in decarbonising European industries by using gas distribution networks to provide already connected industries with renewable molecules, energy security, storage, and price stability.**

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