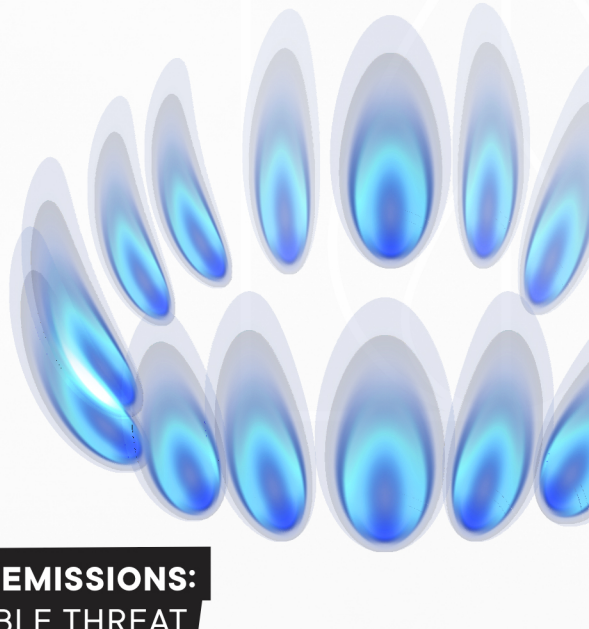


# UNVEILING THE STORY OF ~~NATURAL~~ FOSSIL GAS



## LEAKING THE TRUTH ON FOSSIL GAS

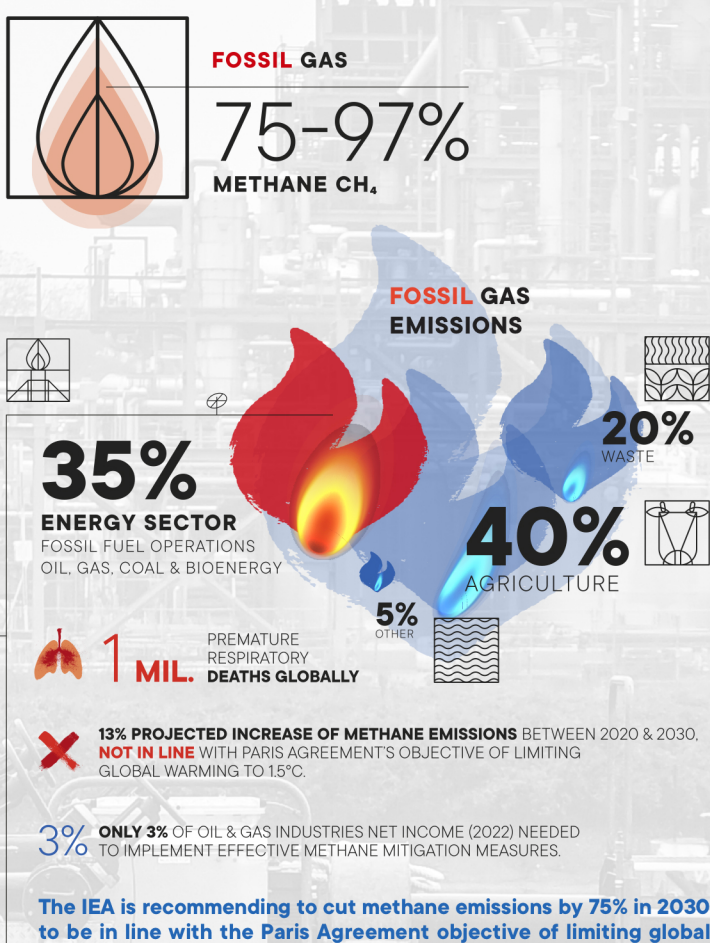
Fossil fuels (coal, oil, and gas) are the primary drivers of global climate change, responsible for over 75% of greenhouse gas emissions and nearly 90% of carbon dioxide (CO<sub>2</sub>) emissions.

What is commonly called "natural gas" is in reality fossil gas. This fossil energy source contributes to about 22% of global CO<sub>2</sub> emissions. Fossil gas is primarily composed of methane (by 75-97%), and while the combustion of gas releases CO<sub>2</sub>, leakages occurring across the entire supply chain release methane emissions (CH<sub>4</sub>), the second most potent greenhouse gas after CO<sub>2</sub>. The entire production process of fossil gas therefore further exacerbates the environmental and climate impacts of this energy source. But relying on gas also has considerable social and energy security impacts: recent crises have shown that the EU's heavy dependence on fossil gas resulted in very high energy prices leading people into energy poverty and had detrimental effects on the EU's energy security.

FOSSIL GAS CONTRIBUTES TO ABOUT **22%** OF GLOBAL CO<sub>2</sub> EMISSIONS

## METHANE EMISSIONS: THE INVISIBLE THREAT

Methane is a potent greenhouse gas that has more than 80 times the warming power of CO<sub>2</sub> over the first 20 years after it reaches the atmosphere. It contributes to about 30% of today's global warming.



## UNVEILING THE STORY OF FOSSIL GAS

## FOSSIL GAS IN THE EU, IN MOTION TOWARDS THE EXIT

The European gas market is undergoing major transformations since the EU adopted the **European Green Deal** and the **Fit for 55 package**. Russia's unjustified invasion of Ukraine affected gas prices and triggered an unprecedented energy crisis in Europe, exposing the role that the dependence on fossil gas has played in the deterioration of Europe's energy security. To address the various crises, the European Commission launched the **RePowerEU Plan**, aiming at phasing out Russian gas while Member States adopted **measures to reduce gas demand**. These measures had positive effects, curbing EU countries' gas consumption by 18% between August 2022 and March 2024. However, **the EU missed an opportunity to establish a clear fossil gas phase out roadmap, opting for diversifying gas suppliers instead of a reduction pathway.**

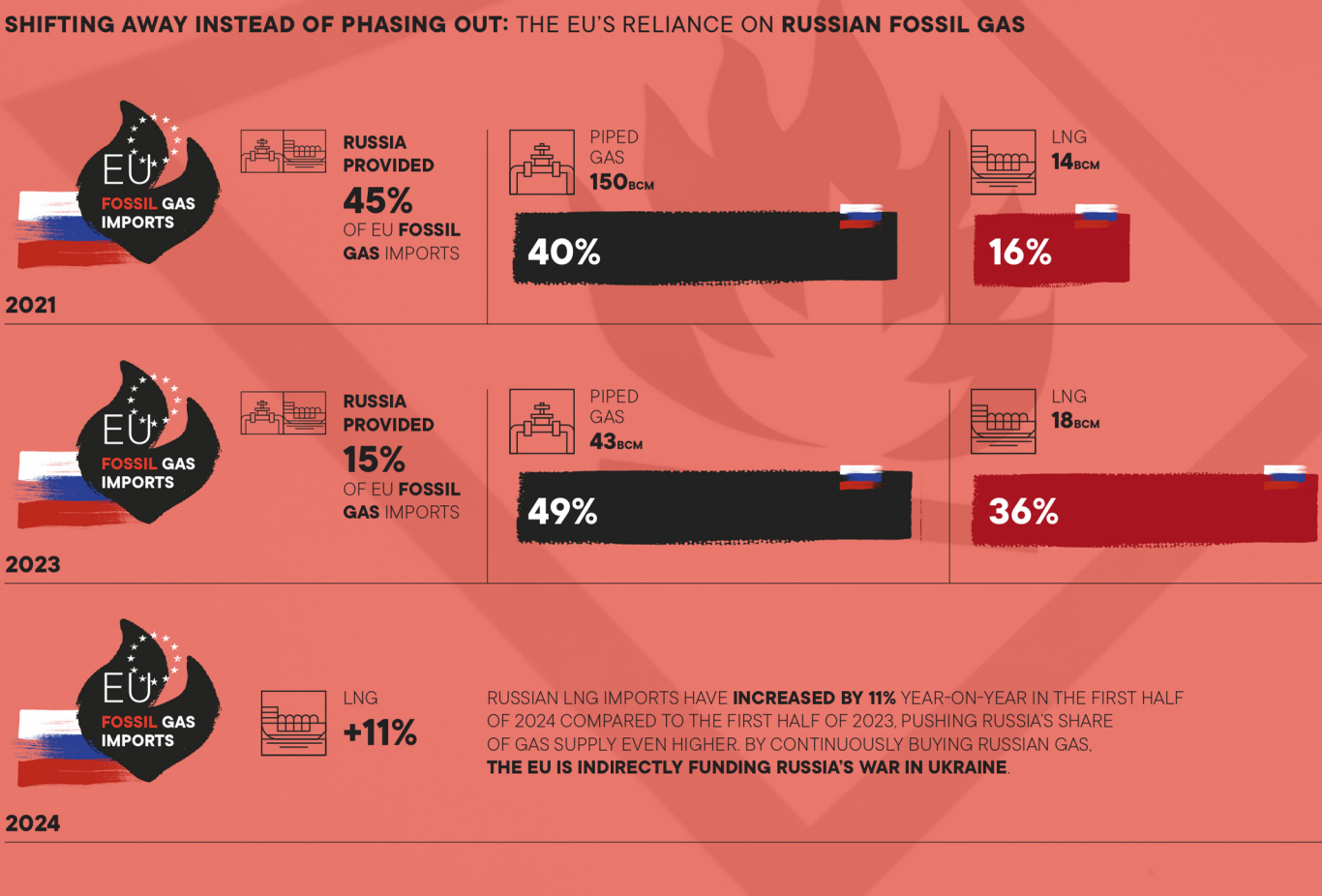
This resulted in:

- **The EU is still dependent on Russian gas supply:** Russian Liquefied Natural Gas (LNG) imports increased and together with piped gas, Russia is still providing nearly 15% of the EU's gas imports in 2023.
- **Globally, the EU shifted its imports from piped gas towards LNG, triggering a LNG infrastructure boom in contradiction to the structural declining gas demand:** LNG import capacity is projected to reach 408 bcm in 2030; while EU gas demand is forecasted to drop down to between 95 bcm\* and 184 bcm\*\* in 2030.

\*According to CAN Europe's Paris Agreement Compatible (PAC) energy scenario projections. \*\*According to ACER, if the REPowerEU plan is implemented.

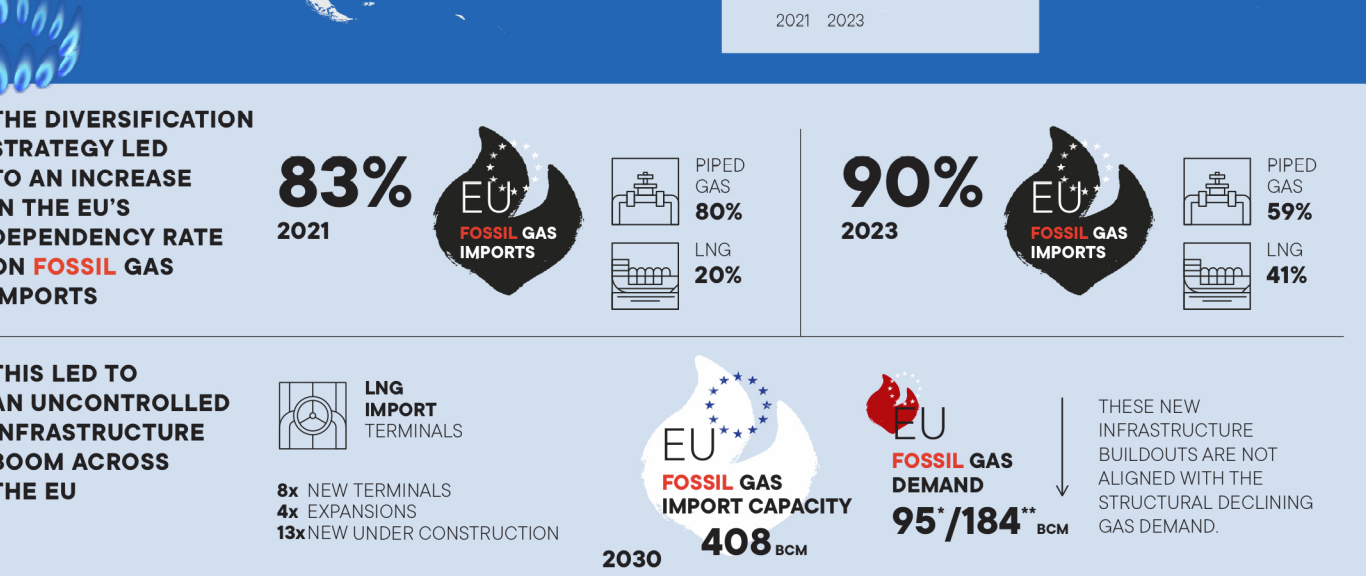
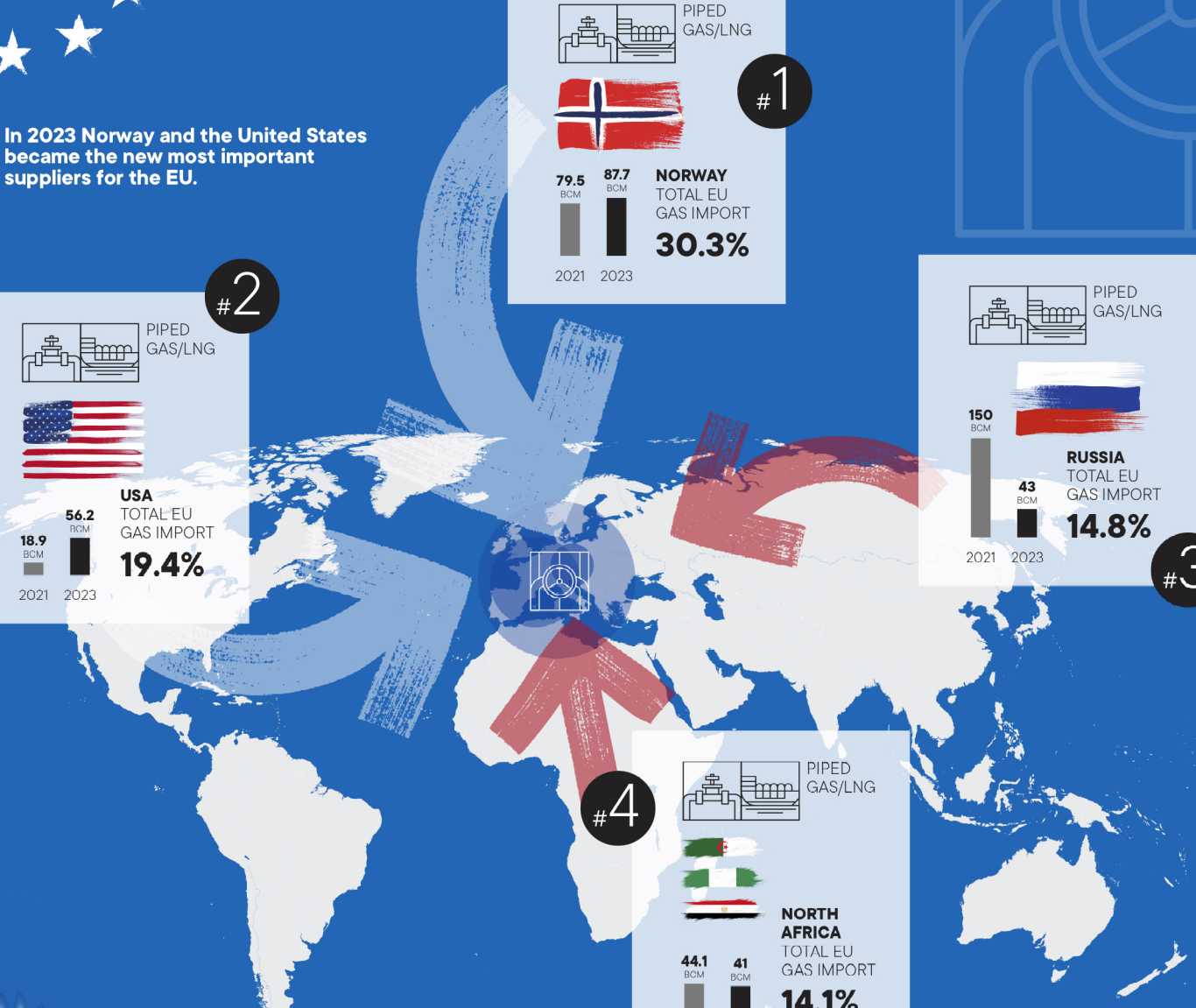
## RUSSIAN FOSSIL GAS PHASE OUT: A MISSED OPPORTUNITY

SHIFTING AWAY INSTEAD OF PHASING OUT: THE EU'S RELIANCE ON RUSSIAN FOSSIL GAS



## NEW SUPPLIERS, NEW INFRASTRUCTURES: LNG LOCK-IN EFFECT LOOMING

In 2023 Norway and the United States became the new most important suppliers for the EU.



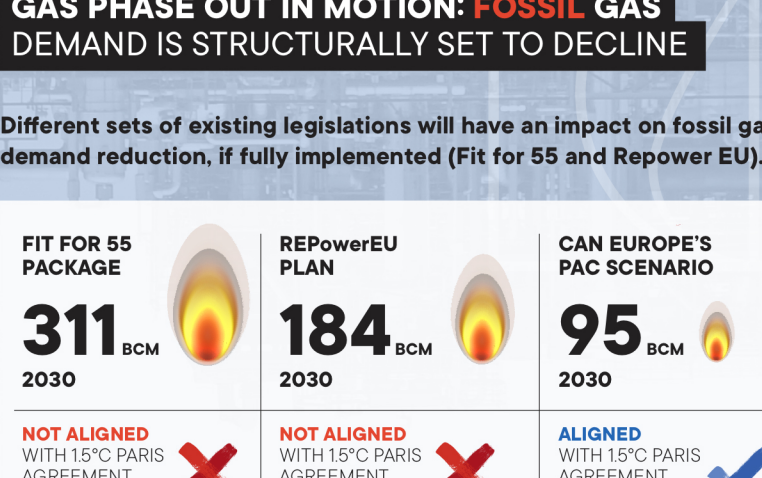
## PATHWAY TO PHASE OUT FOSSIL GAS BY 2035 AND INCREASE THE EU'S ENERGY SECURITY

Phasing out fossil gas in the EU by 2035 is essential to reducing the EU's energy dependence and increasing its energy security.

The EU's dependency on fossil gas leaves it vulnerable to external shocks and geopolitical tensions, as highlighted by the Russian invasion in Ukraine and conflicts in the Middle East. One of the most effective ways to address the energy security crisis while aligning with climate objectives is to pursue gas demand reduction measures, as introduced during the crisis. Put gas savings first and invest in flexibility measures for renewables, rather than focusing on fossil gas supply and storage.

## GAS PHASE OUT IN MOTION: FOSSIL GAS DEMAND IS STRUCTURALLY SET TO DECLINE

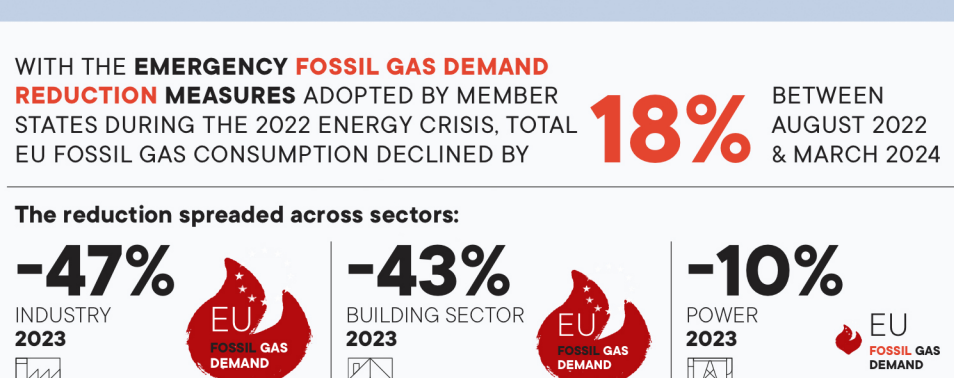
Different sets of existing legislations will have an impact on fossil gas demand reduction, if fully implemented (Fit for 55 and RePower EU).



## PUT FOSSIL GAS SAVINGS FIRST AND STRENGTHEN ENERGY SECURITY

Incentives to reduce fossil gas demand should be at the center of the gas security of supply revision. The measures implemented during the 2022 energy crisis resulted in important fossil gas demand reductions over the year 2023. Russian fossil gas imports have been reduced by 65 bcm through reductions in obligatory electricity consumption reductions in public buildings, funding for energy efficiency measures for industries, district heating and renewables or heat pump roll out.

WITH THE EMERGENCY FOSSIL GAS DEMAND REDUCTION MEASURES ADOPTED BY MEMBER STATES DURING THE 2022 ENERGY CRISIS, TOTAL EU FOSSIL GAS CONSUMPTION DECLINED BY **18%** BETWEEN AUGUST 2022 & MARCH 2024



## CAN EUROPE'S POLICY RECOMMENDATIONS TO PHASE OUT FOSSIL GAS BY 2035 WHILE BOOSTING THE EU'S ENERGY SECURITY

In the upcoming 2024-2029 policy cycle, the EU will work on a Roadmap to Phase Out Energy Imports from Russia by 2027, complemented by a broader revision of the EU Gas Security of Supply (SoS) Regulation. The revision of this energy security framework should be based on the following 5 principles:

1. **Recognize the role and impact of fossil gas on energy insecurity and define a gas phase out framework.** Propose a roadmap to phase out all fossil gas use across sectors by 2035 based on CAN Europe's 10 Point Plan.
2. **Put fossil gas savings first and as a key tool to achieve energy security.** Integrate fossil gas demand reduction measures from Regulation (EU) 2022/1369, as a basis for the revision of the Gas SoS Regulation.
3. **Promote fossil gas-saving solutions focusing on methane leakage.** Implement and strengthen methane abatement measures across the whole supply chain based on the Methane Regulation (EU) 2024/1787.
4. **Fight the fossil infrastructure lock-in effect,** caused by overexpansion of supply sources and overinvestment in fossil gas/LNG infrastructure due to inadequate EU coordination on infrastructure projects.
5. **Strengthen the protection of vulnerable consumers** by prioritising a socially just energy transition, redirecting supply sources to support renovation for leaky housing while investing into fixing the long-term causes of energy poverty.

