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RED II - Renewable Energy Directive (2018/2001/EU)

INES' Contribution to Public Consultation

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About us

INES is the Berlin-based association of gas storage system operators in Germany. INES' thirteen members represent over 90 per cent of German gas storage capacities and account for about 25 per cent of gas storage capacities in the European Union.

1. Introductory Remarks

The European Commission is preparing a review and a revision of the Renewable Energy Directive (2018/2001/EU) in 2021. In order to seek stakeholder views on how the Renewable Energy Directive should be revised the Commission has developed an online questionnaire mainly consisting of predefined response options. Stakeholders are invited to contribute their responses until 9th February 2021.

The Initiative Erdgasspeicher e.V. (INES) hereby contributes its viewpoints to certain questions of the questionnaire.

2. Separate Legal Framework for Energy Certification

The EU has committed to stronger action on climate change and reaching a carbon-neutral economy. This means greenhouse gas emissions will not only have to be reduced in the energy sector but far beyond that. Against this background, resource efficiency and aspects of a circular economy become ever more important.

INES believes that only certifying green electricity does not fulfil the requirements posed by this development. Even widening the scope of the current system to include certificates for carbon-neutral gases will not sufficiently allow for creating fact-based transparency on the usage of energy and resources, thereby laying the foundation for political action.

INES recommends the introduction of a comprehensive energy certification system by means of an “Energy Certification Directive”. The system should:

- include all sources of energy,
- assess them regarding all relevant climate and environmental externalities,
- and ensure a full life-cycle assessment.

Life-Cycle Analysis to Assess Externalities

To account for all relevant emissions a life-cycle analysis (LCA) is necessary, that in addition to GHG emissions includes additional impact categories (see also analyses by ThinkStep) but remains simple and practicable. This also means setting uniform system boundaries.

A complete LCA has to assess environmental effects in upstream chains (e. g. steel used in power plants) as well as energy flows and auxiliary materials.

Assessing energy consumption could be simplified by using standard values – a procedure already carried out for implementing a carbon pricing scheme under the Fuel Emission Trading Act (Brennstoffemissionshandelsgesetz, BEHG) in Germany.

Deletion of Certificates and Greenwashing

Validity of certificates should be aligned with physical and chemical realities. A certificate should describe climate and environmental externalities per energy unit. When energy is consumed, certificates will be deleted accounting for the amount of energy consumed. Not every consumption will have to be attributed to the original energy, but deletion of certificates for the amount of energy consumption ensures that greenwashing is not an option. After all, certificates which are created by produced renewable energy, can only be deleted later, if energy is actually stored. As a result, a real value will be assigned to flexibility for renewable energies. Producing electricity from coal while commercialising it as green electricity will be impossible.

Conversion Losses and Differences in Efficiency

Inevitable losses from conversions or storage will have to be taken into account by certification (deletion/conversion). An energy transformation will have to include deletion (e. g. wind power certificates) and renewal (e. g. green hydrogen) of certificates.

Differences in efficiency are already addressed by the comprehensive framework for certificates (considering conversion losses, pricing externalities) described above. They would not have to be adjusted to technological developments by political correction factors as defined by law.

3. Response to Questionnaire

2.4 How do you consider that “low carbon” fuels that are not renewable but provide significant GHG emissions reduction compared to fossil fuels, such as non renewable hydrogen and synthetic fuels with significantly reduced full life-cycle greenhouse gas emissions compared to existing production, should be treated?

- They should be promoted equally to renewable fuels and thus be mandatorily integrated in any end-use target or quota. *[INES choice]*
- They should be promoted but less than renewable fuels.
- Member States should have the freedom to decide whether to promote them alongside renewable fuels in any end-use target or quota.
- They should not be promoted.

2.5 Do you think the use of hydrogen and e-fuels produced from hydrogen should be encouraged (multiple answers possible)?

- Yes, regardless of the source used to produce them.
- Yes, but only if produced from renewable energy.
- Yes, but under a certain level of conversion losses.
- Yes, but under a certain level of conversion losses.
- Yes, but only if produced and used in a way that leads to no or low GHG emissions along their life cycle, compared to the fossil fuel they are replacing. *[INES choice]*
- Yes, but only when its whole value chain is more energy efficient in comparison to alternative energy sources and carriers.
- Yes, but only for limited uses where no other alternatives are feasible.
- No.
- Other.

2.7. How important do you think the following principles are for a robust and comprehensive certification and verification system covering all renewable and low carbon fuels? (Multiple answers possible)

INES uses the “Other principles?” response field to refer to the remarks and principles described in section 2.

3.2.1. How appropriate do you consider the following options for increasing the uptake of renewable energy in heating and cooling?

INES uses the „Other“ response field to give the following answer:

Several different options are available to decrease GHG emissions and fulfil climate targets in the heating sector. Against this background, a market framework should be developed wherein efficient operational decisions incentivise using energies that allow for achieving climate targets in the most cost-efficient way.

A comprehensive certification system for energy is a prerequisite to align these market-oriented decisions with climate targets. The biggest advantage of this scenario would be that market participants developed clear principles for different energy carriers considering climate protection targets.

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