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EU Green Deal at Risk from Pro-Gas Lobbying

New analysis highlights how the sector is locking in a future for fossil gas

New analysis of policy influencing by the fossil gas sector shows how major energy companies and their industry associations are putting the EU's climate plans at risk by deploying messages designed to politicize science-based policymaking and lock in a future for fossil gas.

This lobbying is coming from several European energy giants, including **Equinor**, **TotalEnergies**, **Gazprom**, **Repsol**, **BP**, **Engie**, and **Royal Dutch Shell**.

The research comes as the European Commission takes the next step in finalizing its sustainable finance taxonomy, including a decision on whether to label gas investments as 'green'.

The EU's Green Deal vs. the Gas Industry analyzes the different messaging strategies used by the gas sector across a broad spectrum of EU climate and energy policies through 2020-21, as well as related advertising, position papers, and public statements.

It shows the most dominate argument deployed by pro-gas companies and trade groups is one that promotes the need for fossil gas to help transition to low-carbon options. However, both the IPCC and the International Energy Agency (IEA) have warned of the need to phase out the use of unabated fossil fuels – including gas

Other key narratives involve the idea that fossil gas is itself a low-carbon alternative – a claim that has previously attracted a *warning* from the UK's advertising regulator for misleading consumers – and that fossil gas is necessary for maintaining secure and affordable energy supply.

This appears to take advantage of the heightened concerns from EU policymakers over energy prices and geopolitical tensions as a way to avoid stringent regulation, which is particularly notable in the context of the strong pro-fossil gas lobbying from Gazprom.

Furthermore, this research highlights contradictory messaging on the issue of methane - broadly supporting the need to curb emissions while at the same time pushing against the need for stringent regulations to address the problem.

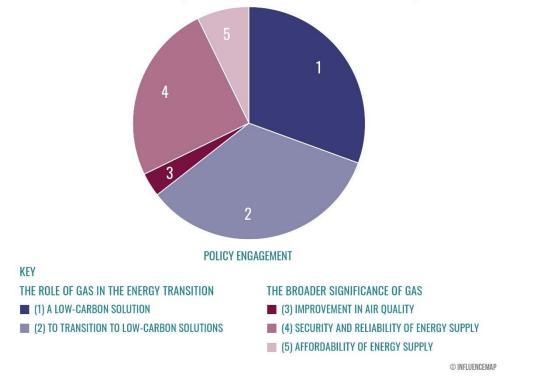
It also foreshadows the emergence of new policy battles over the role of fossil gas in producing hydrogen as well as hydrogen blending.

The research focuses on three key European gas-related policies: the **Sustainable Finance Taxonomy**, **Trans-European Networks for Energy** (TEN-E), and the **Hydrogen and Gas Market Decarbonization Package** (the 'Gas Package'). It also analyses four further policies within the 'Fit for 55' package that have important implications for fossil gas.

The findings draw on 341 instances of lobbying captured within the scope of this research. It shows:

- The ten companies found to be lobbying most intensively on these policy streams are **Snam**, **Uniper, Equinor, TotalEnergies, Gazprom, Repsol, BP, Engie, Royal Dutch Shell** and **Enel**. Of these, only **Enel** was found to be broadly supportive of limiting the role of gas in favour of a stronger renewables outlook.
- The most intensively engaged industry associations are **Eurogas**, **Gas Infrastructure Europe**, **GasNaturally**, **Gas Distributors for Sustainability** (G4DS), and the **International Association of**

International Oil & Gas Producers (IOGP). These associations have had extensive access to the EU Commission throughout the development phase for the policies assessed, logging 52 meetings during 2020-21.



Narratives Used by the Gas Sector to Influence EU Policy

The research matches fossil gas industry lobbying with policy developments over the past six months, finding that numerous Green Deal policy shifts closely correlate to gas industry positions. It also highlights how key European leaders have begun adopting the language used in pro-gas industry lobbying, including:

- A group of MEPs *argued* in a January 2022 letter to the Commission that recognizing fossil gas in the Taxonomy would help by "improving air quality in Europe and significantly reducing GHG emissions."
- European Commission President **Ursula von der Leyen** *tweeted* in October 2021 that fossil gas would be important "during the transition" to more renewable energy.
- The TEN-E Rapporteur Zdzisław Krasnodębski, outlined in a 2020 *opinion piece* the importance of fossil gas as a low-carbon energy source and in providing energy security.
- In an October 2021 *speech*, EU Commissioner for Energy, Kadri Simson, stated support for fossil gas in the energy transition and underlined its role in the "stability and predictability of the market" as the share of renewables grows.

InfluenceMap analyst Vivek Parekh said: "This research highlights the gas industry's systematic attempts to capture European climate policy and insert fossil gas into the region's energy future at a time when the climate crisis and geopolitical tensions are strengthening the case for phase-out.

"There is evidence this lobbying is already working - the sector secured beneficial amendments for fossil gas in recently updated gas infrastructure regulation and in the Fit for 55 package. Furthermore, key figures in the EU have publicly adopted pro-gas talking points.

"The industry has also been lobbying hard ahead of the EU taxonomy decision, pushing for fossil gas to be considered a 'transitional' fuel under new rules governing sustainable finance.

"If this pro-fossil gas lobbying goes unchallenged, it puts the EU's climate goals - as well as the region's climate policy leadership - under intense strain."

<u>Note to journalists</u>: For the purposes of this report "gas" refers to a range of gaseous fuels used for power & combustion: fossil gas, biogas, hydrogen etc. The "gas sector" refers to the value chain for these fuel types.

For a copy of the full briefing paper, click here

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