13.08.19

Eurogas response to the call for feedback on the TEG report on EU Taxonomy

Eurogas welcomes the principles enshrined in the sustainable finance initiative, and its stated purpose.

Eurogas and its members are fully engaged in ensuring secure, sustainable and competitive supplies to the European market and have committed to fulfilling the EU's 2050 climate neutrality ambitions. We fully subscribe to the importance of tools that will help in "*Meeting Sustainable Development Goals (SDGs), the Paris Agreement commitments and other environmental goals"* and of the need for "*substantial investments far beyond what the public sector can muster".*

As we attach the utmost importance to a stable and conducive framework for investment in the energy sector, both from the industrial and the financial point of view, we believe that the Taxonomy Regulation should add clarity and facilitate the effort of all the stakeholders engaged in the energy transition. To this end, it should build and take into account ongoing efforts, policies and regulatory frameworks already put in place at EU level to strengthen sustainable investments without detriment to energy security, access and affordability. Coherence between the overarching provisions in the Sustainable Finance initiative and sectoral policies remains crucial for the implementation of effective measures to support sustainable investments.

High-level considerations

In this context and recalling some arguments that Eurogas has already submitted to the previous consultation rounds on climate mitigation activities, we would like to bring once again the following to the attention of the members of the Technical Expert Group:

1. Eurogas wishes to underline its commitment to decarbonisation at a 2050 horizon in line with the objectives of the European Union. As regards the impact of the Taxonomy proposal, we would like to stress the importance of having solid proposals that can cater for sustainable investments in a coherent way with the EU's energy and climate objectives. Thereby, ensuring safe, sustainable and affordable energy supplies to the EU. . The deployment of investments for the energy transition, in the scale that is required, will need technology neutral and competitive enabling market and investment conditions. In this perspective, ensuring a holistic view of the energy system based on a true technological neutrality will be the only way to achieve the 2030 and 2050 climate objectives.

2. Linked to this, we would like to stress the importance of the Technical Screening Criteria in the Taxonomy Regulation, and the fact that they should be defined with utmost consideration for the relevant sectoral EU legislation which is currently being implemented and should remain in our view the main reference, especially in terms of CO2 emissions, market and technological evolution.. Regarding the energy sector, and having in mind the need to ensure the necessary stability to the investment climate in support of the transition, we wish to stress that the approach of the TEG in the Taxonomy report, namely that of proposing a single criterion in the form of a threshold with a starting points of 30gr – 100grCO2eq/kWh depending on the technology and the section being

surveyed, aiming to reduce these to 0gCO2eq/KWh by 2050, needs to be further examined and elaborated. Indeed, it carries implications not only for the energy sector, but for a broad range of economic activities that rely on the energy sector for their decarbonization pathways. For example, the objective of 0gCO2eq/KWh is not achievable without alternative abatement or air capture technologies with CCS, as most technologies have a carbon footprint if a true LCA is applied.

3. The threshold proposed by the TEG, considering the lack of transparency regarding the underlying assumptions or impact assessment, bears no coherence with the relevant and recent EU legislation, which is currently being implemented, including for the power generation, and which should remain in our view the main reference. We refer in particular to the threshold for power generation activities set at 550grCO2eq/kWh for new projects under the Clean Energy Package. Proposing different values, on one hand for the development of power generation activities in the energy legislation, and on the other for the financial community via the Taxonomy and its secondary legislation, bears in our view the risk of creating a high uncertainty for the investment climate in Europe and ultimately to impair decarbonization efforts and carbon abatements that can be achieved with solutions that would be otherwise ruled out by the TEG proposal.

4. Concerning gas infrastructure, Eurogas believes that the work on sustainable finance and the development of an EU taxonomy has to be implemented in a pragmatic way. Gas can be decarbonised and the contribution of gas infrastructure to the transition, be it in support of renewable energy, of power to gas solutions, and in the transport sector (e.g maritime and Heavy-Duty vehicles for example) is evident. The proposal of the TEG not to include them in the Taxonomy would represent in our view a detrimental message for the viability of the energy transition. Despite the proposed threshold, investment in gas infrastructure remains crucial to abate emissions in Europe be it the existing one or its further expansion (this includes gas storages, LNG terminals, Small Scale LNG solutions and multimodal solutions to expand gas for transport). Therefore, it should be fully eligible as a sustainable activity, both new investments and investments to retrofit or upgrade existing infrastructure. We fear that the current proposal would risk creating a counter-intuitive framework within which existing cross-border large scale infrastructure could be retrofitted to carry hydrogen but where final customers could not be connected to this energy source through limits to expansion. At the same time, biomethane production units, often decentralised and in rural areas would not be able to inject their production to a grid that may be located only a few hundreds of meters away.

5. Power-to-gas technologies, as well as blue hydrogen production processes such as Steam Methane Reforming or Methane Pyrolysis, complemented by CCUS technologies, would need to be further developed towards full technological maturity; given the potential of these technologies, investment in gas grid infrastructure ready to transport renewable and decarbonised gases should also be eligible in the taxonomy as they would support the energy transition and the integration of these gases. Retrofitting should be defined as a sustainable economic activity if it improves the climate or environmental balance of an existing installation. The criteria do not take into account retrofitting. Switching from coal to natural gas in several coal-reliant countries as a first step can significantly help meet the CO2 emission reduction targets and ensure security of supply. In this perspective, stringent

and diverging thresholds could become a barrier to cost-efficient solutions in reducing GHG. Adequate funding for renewable and decarbonised gas and their supporting infrastructure will become increasingly crucial in the coming years.

6. In light of the above, we recommend the TEG and the Platform on the Sustainable Finance to remain engaged in the dialogue with the energy industry as to develop a set of criteria based on meaningful and relevant elements able to orient investment choices in a technology neutral way.

7. Finally, and most importantly, we would like to recall the main objective of the Taxonomy, namely that of informing private and public investors of which investments should be considered sustainable. This objective, however, should not go against the overarching objectives of ensuring a safe, secure, sustainable and affordable energy supply underpinning the Energy Union. As studies have shown in recent years[1], ensuring the use of existing infrastructure can lower the overall cost of the energy transition, by channeling investments towards the production and conversion of renewable energy, whilst relying on efficient gas infrastructure to transport it over large distances and storing it across seasons.

[1] Navigant (Gas for Climate), https://gasforclimate2050.eu
Poyry (Fully decarbonising Europe's energy system by 2050) report on decarbonisation https://www.poyry.com/news/articles/fully-decarbonising-europes-energy-system-2050
Frontier economics (the future value of gas infrastructure in a climate-neutral Europe) https://www.frontier-economics.com/media/3113/value-of-gas-infrastructure-report.pdf

Sectional Considerations – Climate change mitigation

Taking stock of the points mentioned above, Eurogas wishes to underline issues with regards to specific considerations related to certain sections surveyed by the Taxonomy.

a. Agriculture

i. Eurogas believes that the link between categories could be further clarified, particularly related to the application of a LifeCycle analysis. Indeed, if for example non-perennial cover crops are grown as a way to protect the soil between perennial cultures, and these cover crops are then used to produce renewable gas from anaerobic digestion, potentially eligible under several categories in section 22, would it theoretically be possible for one to be considered sustainable without the other following suit; the result of this may be a lack of investment and interest in one of the categories thereby jeopardizing the climate change mitigation potential of the other. This potential issue should be addressed.
Eurogas notes that intermediary/sequential crops are currently outside the scope of what is considered "sustainable". We recommend that these practices be considered as a sustainable activity in line with other EU legislation such as the Renewable Energy Directive Art.2 (40).In addition, we believe that the the avoidance of emissions from manure due to use as biogas digestate should be possible to be counted as bonus; as is on REDII GHG accounting.

b. Manufacturing

i. Regarding the manufacturing of low-carbon technologies, we would emphasise that the definition of the category as "Manufacture of products, key components and machinery that are essential for eligible renewable energy technologies (Geothermal Power, Hydropower, Concentrated Solar Power (CSP), Solar Photovoltaic (PV), Wind energy, Ocean energy)" is limited. Indeed, technologies which allow for the production of renewable and decarbonised energy from biomass or other sources, such as anaerobic digesters, electrolysers or SMR/pyrolysis units, should also be eligible. Furthermore, turbines and engines, as well as CHP or gas condensing boilers which provide efficient production of electricity and heat and can run on renewable and decarbonised gases, should be eligible too.

ii. Similarly, regarding vehicles, the subsequent low threshold of 50gCO2eq/MWh until 2025, followed by a strict 0gCO2eq/MWh is not substantiated by a lifecycle analysis requirement which would ensure a level playing field for all solutions. Nor does it incorporate the necessary cradle-to-grave or at least well-to-wheel approach required to select optimal solutions, in a coherent way with existing EU sectoral policies and standards in this regard. Moreover, LNG and BioLNG should also be included as options for maritime shipping which seems to be insufficiently tackled.

iii. The category of household appliances seems to mention heat pumps but not gas condensing boilers; we would strongly underline the necessity of adding Hybrid heating systems enable balancing of two renewable vectors at lowest cost, making best use of decarbonised gases and

avoiding overbuilding of underutilised generation stock. It has the benefits of sector coupling but in domestic homes or at the point of consumption and to represent an aggregated source of indefinite <10s Fast Frequency Response during periods of heat demand.
Furthermore, the categorization is made by including only those appliances scoring highest on the labelling work; what this refers to precisely should be clarified. We believe that the eco-design Directive should remain the reference and metric on energy efficiency integrated to complement the sole CO2 emission indicator. Finally

iv. Regarding the manufacturing of chemical products, aluminum, cement, hydrogen, and others, Eurogas wishes to underline the importance of including the possibility to invest in renewable and decarbonised gas options, be they methane or hydrogen. Failure thereof would cause considerable costs with certain industries potentially unable to electrify and could artificially disincentivize them from investing in alternative solutions that should be considered sustainable in terms of decarbonisation objectives. We wish to note, finally, that the fact that only hydrogen produced from electrolysers seems to be considered for the production of steel, comes across as a discrepancy which would limit the ability of the sector to decarbonise cost-efficiently.

v. Regarding the manufacture of fertilisers, once again in a lifecycle analysis perspective, it is vital that renewable gas producers who also produce digestate as a side-product may consider that part of their production as sustainable. Otherwise this may give rise to complex separation between sustainable and non-sustainable elements in the same investment decision.

vi. **21.5 Manufacture of Hydrogen**

Eurogas believes that the threshold should start at 4 tCO2eq/t of Hydrogen and gradually transition over time to 0.95 tCO2eq/t. It is important that the Taxonomy supports a rapid transition. The threshold should be higher at the start and then be adjusted over time and aligned with 2050 targets. This would allow Member States to build on the existing infrastructure whilst developing hybrid solutions and encouraging a broader range of actors to use these technologies, such as in the industrial sector.
Regarding the detail, the first two proposed thresholds appear to be in line with the overarching goals to promote sustainable development for investment. The third proposed threshold, however, seeking to ensure that "Average carbon intensity of the electricity produced that is used for hydrogen manufacturing is at or below 100 gCO2e/kWh (Taxonomy threshold for electricity production, subject to periodical update)." removes the technological neutrality and risks excluding all manufacturing sites connected directly to the grid. While at the same time also removing any possibility to leverage the positive impact which hydrogen production can have on stabilising the grid in times of curtailment. Furthermore, this layered approach only applies to hydrogen manufacturing and seems to go against the first two thresholds and their stated environmental objective. Therefore, we would recommend removing the third threshold.
As an additional note, we would welcome further emphasis on the need for further R&D as well as clarification of how the LCA would be applied,

c. Electricity, gas, steam and air conditioning supply

i. The electricity and gas sector remain key enablers in the improvement of the sustainability profile of many other crucial sectors and they should be approached having this in mind. The idea of a lifecycle analysis is broadly developed in the report for these activities, which Eurogas endorses as the Taxonomy Report should support the uptake of all technologies that would underpin overall greater sustainability in the energy system. Nevertheless, we would strongly underline the need for a coherent and systematic application of LCA to all technologies, including renewables, as no technology can be considered to have no carbon footprint by default (considering the raw material used to manufacture it and the potential requirement to transport it to final customers). This is a major pre-requisite to ensure that a necessary level-playing field be fulfilled. Furthermore, the report outlines the need to "*include actual physical measurements, i.e. methane leakage measurements across gas extraction, transport and storage systems."* This requirement should be subject to cost-benefit analysis, as current methods to quantify methane emissions are a combination of actual measurements and assessments based upon emission factors and throughput rates with mitigation coming from leak detection and repair campaigns implemented along the gas value chain. Emphasis on implementing best practices, could on the other hand be regarded as a positive addition.

ii. **22.1-22.6**: we take issue with the diverging implementation of the thresholds between sections and the fact that certain sections are not expected to undertake an LCA. Indeed, this goes against the primary aim of the taxonomy, which is that of informing investors - using a level-playing classification scheme - about which investments would be more likely to have a larger positive impact on climate change mitigation. By not applying this universally, the taxonomy removes the manufacturing and transport aspect for several technologies which may often be manufactured outside Europe. Furthermore, it artificially allows all of these technologies, even though they are subject to a 100gCO2eq/KWh threshold, degressive to 0grCO2eq/MWh, to be systematically considered as sustainable, considering only the operation and maintenance elements are covered.

We particularly want to underline that this section is not in line with the report itself, which underlines that *"An economic activity cannot truly be considered sustainable independently from the wider system in which it operates. For example, the emissions reductions enabled by an electric vehicle depends on it being charged from low-carbon electricity sources and not adding to congested traffic conditions. They depend on whether, at end of life, the battery is reused or recycled in an environmentally sustainable way. Similarly, the well-being of people in cities does not just depend e.g. on the availability of low-emissions residential housing, but also on the access to low-emissions transport options to ensure access to the place of work and other vital services (shops, health facilities etc). To contribute to environmental objectives in a substantial way, the different critical aspects of a system must be decarbonised and made resilient. This can cover the resources used by a system, the transformation processes undertaken by the system and the infrastructures that underpin these systems."*[2]

[2] Financing A Sustainable European Economy: Using The Taxonomy, P.21

iii. **22.7**: As mentioned earlier, we encourage more coherence between the existing legislative files impacting this issue. In accordance with emission thresholds set in the Clean Energy Package, the taxonomy shall provide for additional mitigation criteria for gas-fired power plants that have been or will be taking part in capacity mechanisms in order to provide security of supply and grid stability; requirement for consistency of technical criteria/thresholds across different EU-legislation.

iv. **22.9**: the taxonomy includes "All transmission and distribution infrastructure in systems which are on a trajectory to full decarbonisation are eligible, except for infrastructure that is dedicated to directly connecting, or expanding existing direct connection to production plants that are more CO2 intensive than 100 gCO2e/kWh measured on a LCE basis". This is an issue, as gas transmission and distribution infrastructure would not even be considered eligible for expansion in case if they were connecting a renewable gas plant. This should be streamlined as both electricity lines and gas pipelines are infrastructures which can both channel fossil energy or renewable/decarbonised vectors.
Furthermore, the taxonomy does not define the requirements for "full trajectory to full decarbonisation". The possibility on the electric infrastructure side to expand the taxonomy to "Equipment to increase the controllability and observability of the electrical power system and enable the development and integration of renewable energy sources" should also be extended to gas infrastructure, as smart grids along with smart sensors could considerably facilitate the energy transition and empower customers.

v. **22.10**: The definition of "Storage of Energy" should be clear and precise. It is essential in this context to clarify, that all forms of energy are addressed. Indeed, different forms of hydrocarbons are efficient means to store energy particularly for longer periods of time. In addition, "Storage of Energy" is very diverse in respect of duration (from seconds or months), size (kWh or TWH, kW or GW) and function (flexibility or security of supply).
With this in mind and with the fact that renewable electricity production is very volatile, Power-to-Gas facilities in combination with the existing gas infrastructure will be necessary for seasonal storage in the future. When the taxonomy assesses (p259) that "any storage technology which uses hydrocarbons as a medium of storage is not eligible", it is an issue as it means that you cannot combine renewable H2 with CO2 to store energy in the form of methane: the rationale of such exclusion is at least dubious as it offers the possibility to supply renewable gas to customers who are sensitive to an increasing hydrogen admixture or who need the energy content of methane for their industrial processes. Furthermore, this would by extension mean that biomethane, even if it is carbon neutral or even carbon negative could not be considered a sustainable form of storage based on its chemical form and therefore would not be eligible. The justification for such an approach seems to be missing, particularly considering the need for storage of an inter-seasonal form in the energy system of the future.

vi. **22.11:** Intermediary/sequential crops are currently outside the scope of what is considered "sustainable". However,

1. as article 10 1.b of the Taxonomy regulation refers to substantial contribution to pollution prevention and control via "improving of air, water or soil quality in the areas in which the economic activity takes place whilst minimising negative impacts on, and risks, to human health and the environment"
2. as article 11 1.c also refers to "sustainable agricultural practices…"
3. considering the study "Assessing sequential cropping to produce truly sustainable biomethane "presented by EBA in 2017 showing scientific evidence that sequential cropping is beneficial to improving soil quality for the subsequent harvest,

we believe this should be amended. Indeed, as land is covered all-year round, soil erosion risk is minimised. Moreover, we believe that any biomass, biogas and biofuel complying with the sustainability and GHG reduction criteria laid out in RED II should also be considered sustainable. The RED II defines a series of sustainability and GHG emission criteria that biomass fuels must comply with to be counted towards the various renewables target. Default GHG emission values and calculation rules are provided in Annex V (for liquid biofuels) and Annex VI (for solid and gaseous biomass for power and heat production) of the RED II.

vii. **22.12**: The report seems to underline that investments towards the gas transmission and distribution networks would only be considered as sustainable if they were to focus on retrofitting existing networks to allow them to channel hydrogen. This particular limitation to retrofitting would pose significant issues, not least as natural gas can facilitate the exit from more pollutant sources of energy such as coal, in countries which today may not have a fully developed gas infrastructure yet, but also because the transition from natural gas to renewable and decarbonised gas hinges on the possibility to connect production units to the grid and to final customers or even new customers such as industrial plants requiring high temperature solutions for their processes, or even hydrocarbons as chemical feedstock.
As such, the boundaries of the activity should be extended to cover the construction and operation of networks for gaseous fuels, similar to the provisions provided for electricity distribution and transport infrastructure. The existing gas transmission and distribution networks clearly support the integration of renewable energy both from electric form and gaseous form (biomethane from biomass, and produced by thermal gasification, hydrogen, synthetic methane) into the energy system. They also support significant GHG emissions reductions from fuel switching or merit order optimization in industry, power generation, heating and transport.
The taxonomy then assesses (p264) that "the repair of existing pipeline for the reduction of methane leakage is eligible if the pipelines are hydrogen-ready". This logic is unclear as reduction of methane leakage is good for the environment in all circumstances, and as the

injection of both hydrogen and biomethane should be sought.
The final point to be underlined is that the taxonomy emphasizes the work required on methane emissions in the grid, without acknowledging the work that is already being accomplished on the topic. Taking additional stock of initiatives such as the OGCI, the MGS or recently the report on methane emissions published by Marcogaz/GIE, could help ensure the report is comprehensive on that issue.

viii. **22.17**: Eurogas would like to underline the counter-intuitive nature of the thresholds for cogeneration which, by imposing two thresholds, make reaching them even harder than for processes which do not seek to efficiently recover the heat. We would urge the TEG to clarify how the methodology should be applied to calculate the efficiency of a CHP, as well as how the accounting for decarbonised and renewable gas use in a unit should be considered. Finally, the eligibility of extending the grid to connect a CHP should be clarified, as this is a process that provides both efficient and flexible production of electricity at a decentralized and more small-scale level which can help grid stability and security of supply.

ix. **22.21**: The thermal threshold is here questionable, and in particular the 30gCO2 threshold based on an electric heat pump without taking into account the electricity mix powering it. Efficiency and additional load put on the grid should here be included. We would urge the proposal to take into account the fact that the transferred load from gas to electricity results in a marginal increase in flex/dispatchable supply, and so until such flex/dispatchable sources are low carbon (decarbonised gas power plants, etc…) then there is a marginal carbon attributable to the transferred load.

x. **23.3:** The taxonomy assesses (p301) that "anaerobic digestion of sewage sludge treatment is eligible provided that… the captured biogas is used for electricity/heat generation or biofuel production". We would suggest adding BioCNG, H2 and NH3 production as sustainable production from sewage sludge processing.

xi. **23.4 and 23.5**: we welcome the inclusion of renewable gas production from sewage and biowaste. Nevertheless, we wish to warn against the assessment that (p305) "anaerobic digestion of bio-waste is eligible provided that (cumulative)… the major share of material for anaerobic digestion is bio-waste. In case of co-digestion, other biodegradable wastes such as solid or liquid manure and other agricultural residues may be added, whereas energy crops and other non-waste feedstock are excluded." This would mean that cover crops are excluded despite their positive impact on soils and environment. Furthermore, this goes against the assessment and lifecycle considerations which are included in the Renewable Energy Directive. We would warn against undue discrepancies between legislative proposals that will, in addition, be implemented in parallel.
We wish to recall our points on methane emissions and extension of the grid, namely that considerable work is being done to limit these and that the connections of renewable gas

production sites require extension of the grid; as the latter is limited in the taxonomy, this would be an issue.

xii. **23.8:** The taxonomy assesses (p312) that "collection and utilisation of landfill gas is eligible provided that (cumulative) … the captured biogas is used for electricity/heat generation or biofuel production". We would suggest to add BioCNG, H2 and NH3 production as sustainable end products which can be produced from the collection and use of landfill gas.

xiii. **23.9:** The taxonomy assesses that (p314) "Emissions captured from Direct Air Capture cannot be attributed towards meeting the threshold of another economic activity in the Taxonomy". In some cases this constraint prevents innovation and efficient solutions: for instance, you cannot combine renewable H2 with CO2 to store energy in the form of methane. Research on solutions which produce hydrogen by separating H2 and carbon would be questioned.

xiv. **23.11/23.12**: We would suggest the inclusion of CCU as a sustainable activity also supporting the idea of circular economy and reuse of carbon which will have been removed from traditional combustion processes.

d. Transportation

i. **24.1-24.5:** The proposed methodology seems inappropriate to reward those technologies improving air quality issue and reducing the urban traffic noise.
Natural gas, biomethane and synthetic methane produce virtually no particulate matter (PM) and have low emission levels of nitrogen oxides (NOx), making them ideal fuels for extensive use in urban areas.
Methane as a vehicle fuel emits up to 95% less PM and up to 70% less NOx compared with the very strict European emission standards for new heavy-duty vehicles (Euro VI) and light-duty vehicles (Euro 6) using petrol or diesel. Exhaust gases from natural gas engines are also free of other harmful and carcinogenic pollutants.

ii. **24.3:** An alignment between the taxonomy and existing EU regulation should be sought. The Clean vehicle Directive is already defining the criteria to define what a "clean" vehicle is and should be used as a basis. For buses, the CVD recognizes as "a vehicle of category M3, N2 or N3 using alternative fuels as defined in Article 2(1) of Directive 2014/94/EU of the European Parliament and of the Council ». Based on the CVD vehicles propelled by natural gas in forms, renewable and fossil, gaseous and liquefied qualify as a clean vehicle.

iii. **24.4:** Refueling infrastructure for alternative fuels as defined in DAFI and by extension also to biomass fuels and hydrogen should be taxonomy compatible. The EC Commission, through Eurostat, has developed and implemented a tool named SHARES to monitor at MS level the use of renewable energies. A dedicated section is also devoted to renewable gas for transport, both for CNG and LNG applications.

iv. **24.7/8:** Eurogas wishes to underline that the retrofit of vessels to run on LNG and BioLNG could be included as a sustainable activity to make the shipping sector more renewable.

e. Construction, Real estate activities

i. **26.4**: Eurogas would like to emphasise that considering the definition of technical building systems in EPBD, and the possibility to include off-site production of renewable gas in a building systems' calculation if a member state so desires, that an option should be included in the solutions that can be covered by the taxonomy.

ii. The inclusion of certain categories in the **Climate Change Adaptation** section is commendable, as it puts a particular focus on infrastructure and solutions which can become more resilient in the future. We believe however that additional categories such as ICT and gas infrastructure should be considered, as climate change will most certainly change the consumption patterns witnessed in the energy system as more extreme weather events take place. As such, a smart gas grid, facilitated by smart meters and sensors will facilitate the work of grid operators in anticipating and ensuring system resilience on both the electricity and gas side. Indeed, the later relationship could also be facilitated through easier arbitrage between the gas and electricity sector through sector coupling as consumption patterns fluctuate.

What the proposals outlined above hopefully exemplify is the lack of continuity and the lack of level-playing field between various policy mechanisms and legal texts which will inherently affect decision making. To ensure this does not happen, we would suggest making reference to existing texts and parallel proposals which also touch upon this topic, such as the Clean Energy Package or the EIB lending policy draft.

Given (i) the complexity/scope of the taxonomy; (ii) the overall high level of uncertainty with regard to its final version; as well as (iii) the current lack of clear guidelines on how to implement the taxonomy in the day-to-day business, we support any approach aiming for a non-binding transition period after adoption of the corresponding regulation.
In general, it must be ensured that the bureaucratic burden associated with the implementation of and continuous compliance with any requirements (administrative and technical) foreseen in or resulting from the taxonomy is as low as possible.

In addition, all quantitative (technical) assessment criteria/obligations (e.g. LCE and CO2 calculations) and reporting obligations shall be aligned with existing reporting obligations.

To recall, and as the report underlines "It is important that investors consider the overall systems that activities are part of and the local transition pathways for such systems. By choosing to finance activities that are the most coherent with the transition of the overall system in their specific context, investors can maximise the sustainability impact of their investments, as the multiple individual activities reinforce each

other and result in greater combined benefits."[3] As Eurogas supports the objectives to improve the investment framework and facilitate stability of investments, we trust that these comments will be useful and will be taken into consideration. We wish to underline that Eurogas and its experts remain available for any further questions or clarification.

[3] Financing A Sustainable European Economy: Using The Taxonomy, P.21