

Recognition of gas-fired plants and CHP as a transitional activity under the EU taxonomy framework

21 December 2021

Dear President von der Leyen,

On behalf of our members, we are writing to you **to underline the importance of the EU taxonomy for the success of the energy transition** as a matter of urgency.

ETN Global is a non-profit membership association bringing together the entire value chain of the gas turbine technology. Our members include original equipment manufacturers, utilities, gas companies, suppliers and service providers, consultancies, research institutes and universities (A complete list of our 115 member organisations is available on our [website](#)).

We welcome the recent Commissions proposal on a [new EU framework to decarbonise gas markets, promote hydrogen and reduce methane emissions](#). **ETN Global fully supports the European Commission's efforts in decarbonisation, emissions reductions, and sustainable finance**, as well as its aim to accelerate such a transition through an integrated cooperation approach. Gas turbine (GT) dispatchability, decarbonisation options, and power density, combined with the wide range of applications across many sectors showcase the crucial role that this technology has in enabling a secure decarbonisation process in the transition as well as in a carbon-neutral society and beyond.

ETN Members are committed to the development of safe, secure, affordable and dispatchable carbon-neutral energy solutions by 2030, to be implemented globally in the timeframe up to 2050. With hydrogen-ready GTs and retrofit solutions in the development process, building a GT power plant today is an investment for a carbon-neutral future (see more in our [Vision document](#)). To make this a reality, considerable investments are needed. Climate neutrality by 2050 not only needs a massive expansion of renewable energies but also necessitates the investment in retrofitting and integrating current and new gas turbine technology ready to operate with low and carbon-free fuels in a sustainable energy system that can guarantee security of supply. **Our common climate goal cannot be achieved without a policy framework that enables and incentivises these investments.**

ETN is taking proactive steps within our Hydrogen Working Group where we are exploring and defining a roadmap with realistic but still challenging CO₂ emissions reduction targets that could be set (in kg CO₂ / MWh) with the objective to incentivise and accelerate a gradual transition to fully carbon-free fuels without compromising safety and security of supply.

The EU taxonomy's role here is decisive: too tight initial CO₂ limits for combined heat and power plants and gas-fired power plants will not only make it more difficult and costly to finance the energy transition path but will also penalise those companies on the financial markets who are keen to secure the transition. **To support and accelerate the transformation of the energy industry in Europe, it is crucial that plants, which comply with a gradual reduction of emissions over time (sunset clause) will be classified as EU Taxonomy-aligned in the forthcoming Complementary Delegated Act.**

ETN Global and its members would welcome a discussion on the specific steps and are willing to provide input in defining the intermediate targets.

Yours sincerely,



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