

EUGINE Input to the Targeted review of the General Block Exemption Regulation

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EUGINE, the European Engine Power Plants Association, thanks the European Commission for the opportunity to comment on the targeted revision of the General Block Exemption Regulation (GBER).

Engine power plants can run on renewable sources such as biogas and hydrogen and, as cogeneration plants, are used in district heating systems and small-scale installations. This is why we will focus our reply on the points aiming at reviewing the articles under the current Section 7 of the GBER.

In short —

Recognising the capacity of gas technology to switch to renewable operation

- The draft amendments to GBER recognise the role natural gas can play in the transition to a decarbonised energy system but overlooks the capacity of the technology to switch from natural gas to renewable gases with no or minor adaptations.
- It would be good to see greater support of the capacity of existing technology to run on or switch to renewable operation – technology may not always need to be replaced. Sometimes, a refurbishment will suffice.
- Investment aid for the switch to hydrogen of existing assets would help accelerate the transition and kick-start a hydrogen market.

Our proposals

Investment aid for energy efficiency

In the proposed amendments to current articles 38 (Investment aid for energy efficiency measures) and 39 (Investment aid for energy efficiency projects in buildings) we read that:

“Aid may be granted for the installation of more energy-efficient gas-fired energy equipment provided that it replaces oil-fired or coal-fired energy equipment and that it is ensured that the gas-fired energy equipment is replaced by equipment using renewable fuels by 2050 at the latest.”

To properly **recognise the capacity of the equipment to switch to renewable fuels without being fully replaced**, it would be good to slightly modify the wording to: “...it is ensured that the gas-fired energy equipment is replaced or can run on renewable fuels by 2050 at the latest”.

Cogeneration running or ready to run on renewable gases

In Article 2 (Definitions) a new definition for “green cogeneration” is introduced: “(108b) ‘green cogeneration’ means cogeneration using 100 % renewable energy sources as an input for the production of heat and power”.

While this definition would have the benefit of raising awareness on the capability of CHP to run on renewable energy, it does not add anything to the fact that a given technology (be it cogeneration or other) can run on “only renewable energy sources”. In our view, **the fact of limiting the definition to equipment (already) using 100% RES excludes investments in equipment that is ready but does not have the renewable gas yet**. Similarly, it also disadvantages blending of natural gas with renewable gases, be it biomethane or hydrogen.

We would therefore propose a slightly modified definition, for example: “‘sustainable cogeneration’ means high-efficiency cogeneration using or ready to use renewable energy sources as an input for the production of heat and power”.

Investment aid for the promotion of energy from renewable sources

In Article 41.4 (Investment aid for the promotion of energy from renewable sources) it would be good to make it explicit that such **aid can be used to refurbish the units to run on hydrogen**, that is: “Investment aid for new or refurbished high-efficiency cogeneration units, including to adapt the units to run on hydrogen, shall be exempted from the notification requirement of Article 108(3) [...]”.

To provide a clear view of what “hydrogen-readiness” means for engine-powered gas power plants, EUGINE and its members have developed a common H2-Ready definition for new plants and a checklist that can be used by industry, investors, and policymakers to evaluate existing plants. Further information on the EUGINE H2-readiness definition (for new plants) and checklist (for existing plants) can be found on our website:

<https://www.eugine.eu/h2-ready/index.html>

EUGINE is the voice of Europe’s engine power plant industry. Our members are the leading European manufacturers of engine power plants and their key components.

Engine power plants are a flexible, efficient, reliable and sustainable technology, helping to ensure security of electricity supply and providing (renewable) electricity and heat.

For more information please see www.eugine.eu