

While delegates have committed to “phase down” fossil fuels and tackle methane for the first time at COP26, the EU is quietly approving a list that supports and offers funding to fossil fuel infrastructure in closed-door negotiations. Our energy lawyers are calling out the EU’s climate hypocrisy.

What is the PCI list?

Every other year, the European Commission creates a list of infrastructure projects deemed “Projects of Common Interest”, i.e. that will benefit the whole bloc. The projects featured on the list – also known as the PCI list – gain fast-track permitting privileges and the opportunity to receive EU funding. The list covers different types of energy infrastructure, including carbon-intensive gas infrastructure such as gas pipelines and LNG terminals. The latest PCI list was presented to the European Parliament last week. It reveals that the EU will lend support to gas projects like the vast EastMed pipeline – a €7 billion, 1,900km gas pipeline that will connect Israel’s offshore gas fields to Cyprus and Greece. But that’s just one example of gas infrastructure eligible for EU funding. According to environmental organisations, the list backs 30 gas mega-projects worth €13 billion. That means infrastructure projects with significant impacts on accelerating global warming stand to benefit from favoured treatment – and vast amounts of taxpayers’ and consumers’ money.

Why does EU funding to gas matter?

In short, gas is a fossil fuel that exacerbates climate change. It’s 80 times more climate-damaging than carbon dioxide over a 20-year period.

The International Energy Agency has been very clear: no new gas or other fossil fuel developments should be approved if we are to meet the Paris Agreement goals.

And it’s a legal problem too. According to our energy lawyer Guillermo Ramo, “A PCI list that includes gas projects does not square with the EU’s legal obligations under the Paris Agreement and the Treaties of the Union.”

Some will say that gas is needed in the short term as we transition away from other fossil fuels like coal. But the gas infrastructure we have in Europe is already enough to ensure security of supply.

Besides, any sort of energy infrastructure has a long lifetime. Building it now means using it for years to come – which means that we risk locking in gas into our energy systems for decades.

Yet, in less than 10 years, €440 million of EU public funding has already been spent on gas projects which have either failed or been put on hold – a huge sunk cost to be borne by EU taxpayers.

Guillermo added: “These new gas projects are stranded assets in the making and supporting them is a waste of taxpayers’ money to be borne by citizens – at a time when gas consumers are already feeling the crunch.”

How can we revamp the EU's energy ethos?

In 2021, when our climate is deep into the danger zone and people are being confronted with a serious gas price crisis, the EU cannot continue investing public money into expensive and unnecessary fossil fuel projects.

Part of the problem lies in the opaque process surrounding the list. The PCI list is prepared following a procedure that both lacks transparency and is heavily influenced by the gas industry. Gas firms enjoy the fruits of heavy lobbying and the sector's advantageous position within the EU's decision-making institutions. An industry-led advisory body - ENTSOG - even provides the European executive with projections on Europe's future energy needs. Guillermo said: "The whole process of approving these so-called "projects of common interest" needs to be overhauled. The gas industry holds enormous sway in the process and there is little to no transparency."

The process also fails to duly take into account the environmental impacts of the list. Last year, in an investigation by the EU Ombudsman - a public independent body that monitors EU institutions - the European Commission admitted these flaws, by recognising that the assessment of gas projects failed to take into account their associated greenhouse gas emissions.

We are working on changing this and recently wrote a briefing on the need to improve decision-making under the TEN-E Regulation, the regulation that governs the preparation and adoption of PCI lists.

We are also challenging existing gas infrastructure - for example by legal action as a new gas exploitation project threatens protected dolphins and turtles in Venice's world-renowned gulf.

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