

Executive Summary – Liquid Gas Europe Response to the Citizens Energy Package Consultation

General Position

Liquid Gas Europe (LGE) welcomes the European Commission's Citizens Energy Package and strongly supports a just and inclusive energy transition. With over 137 million Europeans living in rural and remote areas—often facing higher energy poverty and limited access to clean energy infrastructure—tailored policies are essential. LGE emphasises that renewable liquid gases (rLGs) such as bioLPG and renewable DME (rDME) can play a pivotal role in delivering affordable, immediate decarbonisation for these communities. A technology-neutral approach must guide EU policy to ensure consumer choice, fairness, and inclusivity.

Key Points and Arguments

- **Rural Energy Poverty:** Rural households are disproportionately affected by energy poverty. They spend a higher share of income on energy, often rely on coal or heating oil, and live in older, less efficient homes. Targeted solutions are needed to reduce emissions and costs simultaneously.
- **Renewable Liquid Gases as Solutions:** rLGs are scalable, drop-in replacements compatible with existing LPG systems. They avoid high upfront costs of alternatives such as heat pumps and deliver immediate savings and emissions reductions. Switching from oil to bioLPG can cut CO₂ emissions by up to 90% and save households ~€933 annually.
- **Co-Benefits:** rLGs improve air quality by cutting particulate matter and NOx emissions, directly benefiting health in rural communities. Their production from waste and residues aligns with circular economy objectives.
- **Compatibility with Hybrid Systems:** rLGs complement electrification and renewable systems in hybrid models, supporting energy resilience in off-grid areas and enabling community energy solutions.
- **ETS II Impacts:** LGE supports ETS II but stresses the need for safeguards to prevent disproportionate burdens on vulnerable consumers. Without careful design, rising fuel costs risk worsening rural energy poverty.
- **Fair Taxation and Policy Coherence:** Energy taxation and climate policies must favour low-carbon solutions in a technology-neutral way. Current fragmentation risks leaving renewable liquid gases under-recognised despite their strong climate benefits.
- **Consumer Empowerment:** Access to clear information, one-stop advisory services, and support for local energy communities are essential to empower rural consumers to take part in the transition.

Recommendations

1. **Acknowledge Rural Needs:** Integrate rural and off-grid households into all measures under the Citizens Energy Package, with clear targets for reducing rural energy poverty.
2. **Support Renewable Liquid Gases:** Recognise rLGs in all relevant EU frameworks (RED III, EPBD, ETS II) as approved clean solutions. Establish Guarantees of Origin, remove regulatory barriers, and provide incentives to scale up production and use.

3. **Ensure Fair Carbon Pricing:** Implement ETS II gradually with price caps and continuous monitoring. Direct Social Climate Fund resources to rural, low-income households through targeted support (vouchers, grants, rebates).
4. **Reform Energy Taxation:** Align taxation with climate goals by applying lower rates for low-carbon fuels. Allow Member States flexibility to provide tax relief to vulnerable rural households.
5. **Safeguard Consumer Choice:** Adopt performance-based standards instead of one-size-fits-all technology mandates. Ensure that all compliant low-carbon solutions, including renewable liquid gases, can contribute to EU targets.
6. **Empower Citizens and Communities:** Strengthen advisory services, promote collective purchasing, and support hybrid and community-based energy systems. Facilitate small-scale renewable gas production projects in rural areas.
7. **Ongoing Stakeholder Engagement:** Establish structured dialogue with industry, rural communities, and consumer groups to adapt policies to real-world conditions and ensure broad support.

Conclusion

The Citizens Energy Package is an opportunity to deliver a truly inclusive energy transition. By recognising the role of renewable liquid gases alongside other clean technologies, the EU can cut emissions, reduce energy poverty, and ensure that rural and off-grid households are not left behind. LGE stands ready to work with policymakers to achieve a fair, affordable, and effective path to climate neutrality.