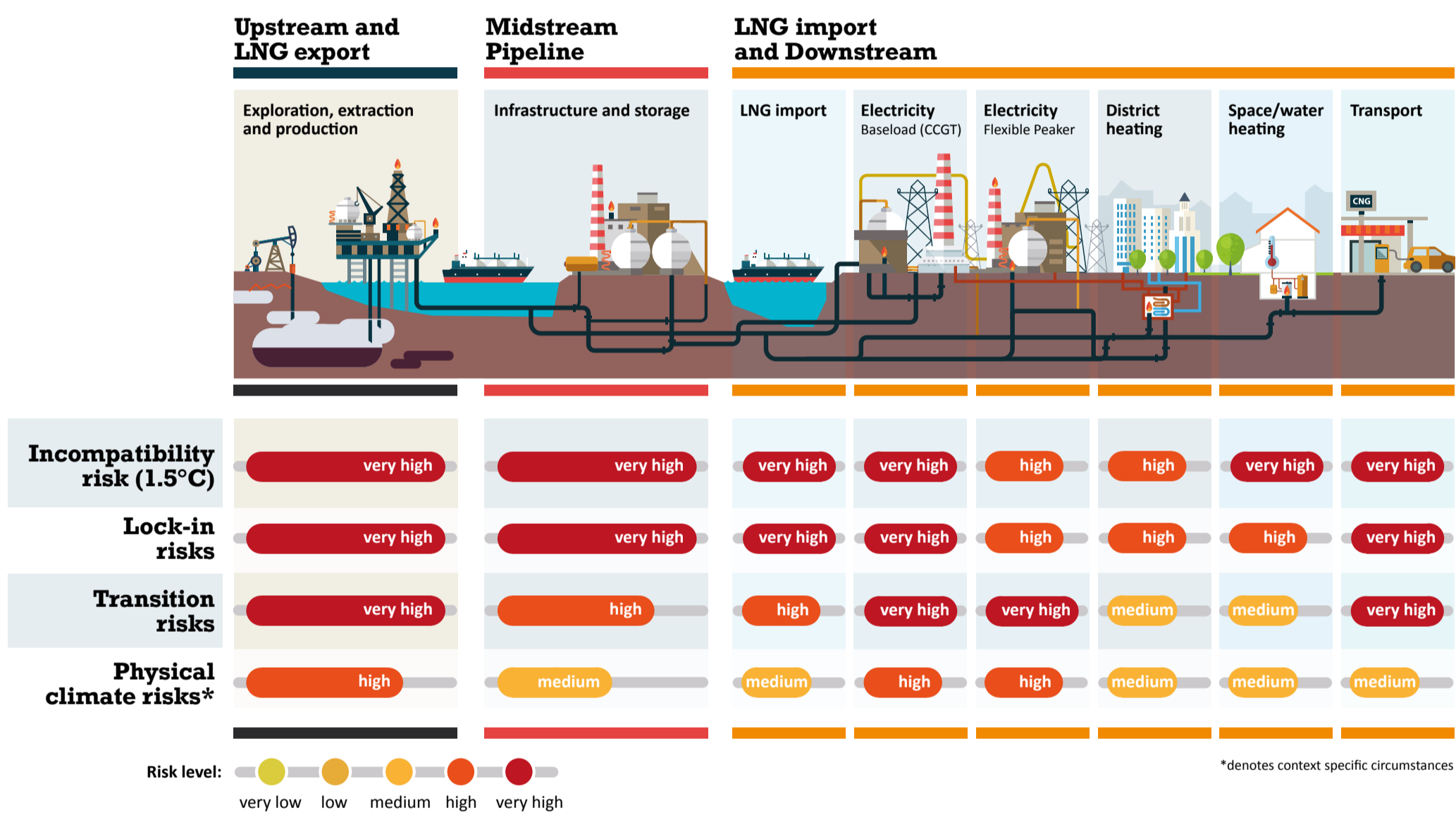


PARIS ALIGNMENT OF GAS?



Considering its significant climate impact, gas should not be seen as a bridge or transition fuel. Life cycle assessments of gas generally undermine rationales for the use of gas as a climate-friendly alternative. Swift technological progress and the falling costs of renewable energy-based alternatives, energy storage, and the electrification of end uses means that investments in gas are not only increasingly incompatible with overall climate targets—they are also associated with serious high-emission lock-in, transition, and physical climate risks. These developments, however, have different consequences for each part of the gas value chain, from upstream extraction, export, and midstream to the various end uses. Multilateral development banks and other financial institutions with commitments to align themselves with the Paris Agreement should account for these risks in their future investment decision-making.

CLIMATE-RELEVANT RISKS ACROSS THE GAS SUPPLY CHAIN



Existing and approved oil and gas extraction projects already exceed the 1.5°C carbon budget. New upstream and LNG export projects are **not aligned with the Paris Agreement.**

Midstream pipelines face high feasibility and cost challenges for repurposing, leading to **high lock-in and transition risks.**

Baseload **gas power plants** (CCGT) lock-in continued emissions, effectively displacing and **discouraging renewable energy development.**

Mature and cost competitive clean alternatives eliminate the need for gas for multiple downstream uses including space heating and cooking.

Electrification options for road transport eliminate arguments for CNG which offers little to no climate benefit compared to conventional fuels.

LNG offers no climate benefit for long distance shipping. Instead, dual fuel engines offer a superior option to transition to low carbon fuels.

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