

## IOGP response to the roadmap and inception impact assessment concerning revision of the 3rd Gas Package (Directive 2009/73/EC and Regulation No 715/2009)

### IOGP recommends that the impact assessment considers the following as the basis for its amendment consideration:

- **Ensure that the regulatory framework for decarbonisation of the gas sector builds on the achievements of the Internal Gas Market.** The key objective of the 3rd Gas Package, the completion of the Internal Gas Market, has largely been achieved, although efforts are still necessary in diversifying supplies to some regions. The results show that markets work and the integration of European markets has been of significant benefit to European consumers. The priorities for amending the gas market rules should therefore be to safeguard the achievements of the Internal Gas Market while including the decarbonisation objectives.
- **Enable gas-infrastructure-operators to develop and operate gas pipeline infrastructure for hydrogen and CO<sub>2</sub> matching the gas sector key network regulatory requirements, including Third Party Access and unbundling.** There should be flexibility at the national level to exempt individual single direct connections, and individual CO<sub>2</sub> pipelines used in CCUS projects on the basis of robust criteria corresponding with those set out in 3rd energy package. Gas-infrastructure-operators involvement should not result in crowding-out of market initiatives, it should not compromise the key unbundling principles and avoid cross commodity subsidisation.
- **Accommodate renewable and low-carbon gases in a technology neutral manner under the gas market rules.** There should be a targeted review of EU gas legislation to include renewable and low-carbon gases, including gases injected into the distribution grid and decentralised production.
- **Establish a credible, robust and manageable certification scheme based on voluntary guarantees of origin under RED II to valuing life cycle GHG intensity reduction of renewable and low-carbon gases.** There should be a consistent European terminology for renewable and low-carbon gases and a system of guarantees of origin based on standardised life-cycle GHG emission savings. The GHG benefits of the different gases should be traded separately in a market for carbon.
- **Enable a competitive hydrogen commodity market irrespective of origin.** The regulatory framework should have flexibility to support both specific hydrogen products and a market blended with natural gas; it should try to mobilise private initiatives and avoid unfair competition between existing businesses and regulated activities. Hydrogen projects, including greenfield low carbon projects and retrofits with CCUS, will require policy support until carbon prices are sufficient to develop a viable market and infrastructure.
- **Strengthen consumer rights that mirror electricity market design.** Certain features of the 2019 electricity market reform should be considered for mirroring to the gas markets where this has tangible benefits, and taking into account the structural differences between gas and power.
- **Avoid undue gas quality restrictions at system entry points.** It is important to maintain the capacity of the transportation system to blend and co-mingle gas of different sources, and allow both indigenous and imported gas production to enter the system as well as renewable and low-carbon gases within the technical limits.

- **Recognise that for many applications electrification does not provide the best solution or a resilient energy system.** Gas transportation, storage and flexibility in the gas sector is more cost-efficient compared to electricity e.g. for meeting seasonal heating demand, and when existing gas infrastructure for transportation and storage can be utilised this further reduces cost of decarbonisation.
- **Ensure holistic infrastructure planning.** Coordinated infrastructure planning can capture synergies by linking the gas and electricity sectors in order to achieve a low-emission and competitive European economy. For this purpose, synergy should be achieved between EU instruments. In particular TEN-E regulation should include gas infrastructure, including natural gas and low carbon gases.
- **Recognise the significant role of TSOs and DSOs cooperation to take full advantage of opportunities to decarbonise gas sector.** The cooperation should reflect the emerging decentralised system where renewable and low-emission gases flow from the distribution to transmission network and require e.g. physical reverse flow. Operators should be able to undertake necessary activities in this regard without unjustified restrictions.
- **Recognise the role that CCUS can play in reducing GHG emissions.** The EU will need CCUS and the report on CCUS for the 32nd Madrid Forum provides a number of policy recommendations to encourage the uptake of CCUS: [https://ec.europa.eu/info/sites/info/files/iogp\\_-\\_report\\_-\\_ccs\\_ccu.pdf](https://ec.europa.eu/info/sites/info/files/iogp_-_report_-_ccs_ccu.pdf)

The upstream oil and gas industry stands ready to provide further input to the upcoming consultations and play its role in delivering low-carbon solutions aimed at tackling climate change.

---

**Registered Office:** City Tower, Level 14, 40 Basinghall Street, London EC2V 5DE, United Kingdom  
T +44 (0)20 3763 9700 / [reception@iogp.org](mailto:reception@iogp.org)

**Brussels Office:** Avenue de Tervuren 188A, B-1150 Brussels, Belgium  
T +32 (0)2 790 7762 / [reception-europe@iogp.org](mailto:reception-europe@iogp.org)

**Houston Office:** 15377 Memorial Drive, Suite 250, Houston, TX 77079, USA  
T +1 (713) 261 0411 / [reception-americas@iogp.org](mailto:reception-americas@iogp.org)

[www.iogp.org](http://www.iogp.org)  
[www.oilandgaseurope.org](http://www.oilandgaseurope.org)