

Press Release

Gas market reform marks a step change in EU approach to the transition

(Brussels, 15 December 2021) The European Commission's proposed gas market reform and plans for carbon management can equip the EU with a powerful set of solutions to reach climate neutrality. IOGP Europe calls on co-legislators to choose an ambitious, technology-inclusive, and affordable pathway to climate neutrality by using natural gas as a transitional fuel and further incentivizing and accelerating the large-scale deployment of low-carbon hydrogen and carbon management solutions such as CCUS.

Alongside other national governments, IOGP Europe sees gas technologies are the second pillar of the transition alongside renewables. By choosing to build the framework for low carbon gases on the solid foundations and achievements of the existing internal gas market and infrastructure in the Commission, the EU can raise its chances of success while reducing the cost of transition to climate neutrality.

"We're glad to see the Commission looks beyond electrification only and into leveraging the EU gas market it so successfully built. We still believe a stronger push on low-carbon hydrogen deployment is needed to fully exploit its potential" said François-Régis Mouton, Regional Director Europe. "2030 is practically today and 2050 is around the corner, we can no longer afford to be picky with technology deployment. If the EU is really serious about climate neutrality, we need to make the best use of natural gas as a transitional fuel and incentivize the production of all low-carbon hydrogen production methods right now. It's in the co-legislators' hands now" Mouton added.

IOGP Europe fully supports the need to address energy-related methane emissions considering the important role of natural gas in the transition and welcomes the proposed **EU Methane Regulation**.

"We agree with the Commission's approach to establish EU-wide quantification, reporting and verification, and commend its proposal to improve availability and accuracy of international methane emissions data including the establishment of the IMEO" said Mouton. "We do however believe the Commission is overly prescriptive and not risk-based when it comes to leak detection and repair surveys and technologies. We need more flexibility to choose optimal solutions" Mouton added.

The Commission's **Communication on Carbon Cycles** marks the long-awaited recognition of carbon management solutions as an integral component of climate neutrality. IOGP Europe echoes the call made by ITRE Committee Chair Cristian Buşoi and the Florence School of Regulation at the 11 October first 'CCUS Forum' for the launch of a dedicated CCUS Strategy in Europe in 2022.

"It's simple: our climate won't be neutral without Carbon Capture and Storage; experts and policymakers recognize this. It's time to stop controversies which delay action and start putting carbon back into the ground. CCUS is a safe and proven technology, we need to begin working on deployment solutions immediately. Our industry is committed: there are over 70 existing and planned CCS facilities which could store 60 MtCO₂/year by 2030. Still, we need to deliver about 10 times that by 2030 and around 25 times that by 2050; this is why we need a European Strategy backed by all relevant stakeholders" said François-Régis Mouton.

Related IOGP Europe documents

Gas market reform: [Response to consultation on the Hydrogen and Gas Decarbonization package](#);

Methane emissions: [Response to consultation on legislation to measure and mitigate methane emissions in the energy sector](#)

Carbon Management: [Map of CCUS projects in Europe](#), [New and old CCS projects in Europe: What's different this time?](#); [Feedback to Roadmap on sustainable carbon cycles](#)

About IOGP Europe

The International Association of Oil & Gas Producers (IOGP Europe) is the voice of the European upstream industry. Our 80+ Members produce more than 70% of the Europe's oil and gas, almost 50% globally. We support the EU's objective to reach climate neutrality in Europe and call for an inclusive policy framework to help reach it.

Contact

Nareg Terzian

Senior Manager, Strategic Communications & Media

T: +32 2 790 77 73

M: +32 470 90 59 62

E: ntz@iogp.org