

Press Release

Inclusion of gas in the Taxonomy Regulation supports EU ambition to reach climate neutrality by 2050

(Brussels, 2 February 2022) By including gas in the EU Taxonomy Complementary Delegated Act, the Commission has underlined the importance of financing investments into gas-fired power and heat plants as a key tool in decarbonizing the EU economy. However, the International Association of Oil & Gas Producers (IOGP) remains concerned about extremely demanding technical screening criteria which would exclude some of the most efficient gas-related activities to support necessary emissions reductions.

As the EU energy transition progresses, the European energy system will decentralize and increase in complexity. The EU Taxonomy Complementary Delegated Act and its technical screening criteria need to accompany this development and notably enable the financing of investments into large-scale, low-carbon, non-intermittent and dispatchable power and heat generation assets (including CHP) to enable and accelerate the integration of more renewable energies while improving system resilience.

“The European Commission should be commended for delivering a delegated act respecting the Taxonomy Regulation and provide for a transitional and enabling role of natural gas related activities in the EU Taxonomy. But the technical criteria set for gas are extremely challenging given the current technological reality and risk including natural gas in name only. This could slow down the much-needed contribution gases can make to a successful European energy transition” said François-Régis Mouton, Regional Director, IOGP Europe.

“Both the technical screening criteria and the 2035 target for full switch to renewable or low-carbon gases will need to be addressed in the review process further down the line, otherwise the necessary investments are unlikely to materialize” Mouton added.

Failure to effectively include gas-related activities would leave Member States that choose to phase out baseload capacity such as coal and/or nuclear plants with no scalable and flexible solution to support a rising share of variable renewables, and put their secure supply of power and heat at risk.

The gas industry is ready to transform and we trust financial investors seeking to accelerate the energy transition to be pragmatic and realistic when considering the application of the thresholds set out in today’s published delegated act.

When replacing coal power plants Combined Cycle Gas Turbines (CCGTs) cut emissions by half, while the remaining emissions can effectively be tackled in the longer term through co-firing of low-carbon gases and capture and storage of carbon dioxide (CCS).

About IOGP Europe

The International Association of Oil & Gas Producers (IOGP Europe) is the voice of the European upstream industry. Our 80+ Members produce around 90% of the Europe’s oil and gas, and around

40% globally. We support the EU's objective to reach climate neutrality in Europe and call for an inclusive policy framework to help reach it by making full use of Europe's own oil & gas resources.

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