

Press Release

Re-Powering the EU by protecting well-functioning markets, enhancing strategic partnerships and boosting domestic production

(Brussels, 9 March 2022) IOGP supports the European Union's objective to ensure access to affordable, secure and sustainable energy. We recognize current challenges and circumstances in global energy markets, and call for well-designed measures to address them.

IOGP agrees with the Commission that security of supply is a matter of strategic interest. Europe (EU27+UK+Norway) produces around 40% of the natural gas it consumes, and this directly contributes to Europe's Strategic Autonomy. The increasing share of renewables also contributes to lower reliance on imports, and IOGP welcomes today's proposed measures to help accelerate their deployment which will rely on gas to stabilize power supplies.

"IOGP fully supports REPowerEU's objective to boost gas supply diversification, energy savings and a renewable energy and hydrogen deployment. We call on EU Member States to further strengthen EU resilience by optimizing the production of Europe's oil and gas resources. The European oil & gas industry is subject to world-class environmental and GHG emission reduction legislation and proudly supports the EU on its pathway to climate neutrality" says François-Régis Mouton, IOGP Regional Director Europe.

IOGP welcomes the Commission's attempt to address the need for better preparedness ahead of next winter, and believes it is essential to avoid undue interference that could undermine the functioning of the internal EU energy market in the long term and lead to unintended consequences. We expect that authorities and the private sector will act responsibly and in accordance with respective roles and responsibilities defined by the rules of our common market.

We believe that the secure supply of energy to consumers is best achieved through stable, well-regulated, interconnected and liquid energy markets with free and transparent price formation for competing energy sources from a diversity of domestic and global suppliers. In exceptional periods of supply scarcity or market volatility, these may be accompanied by measures such as demand-side response or targeted support to protect vulnerable consumers. The Internal Energy Market has consistently delivered this outcome for Europe over the past number of decades, and its vision must continue to guide future market design efforts.

As the legislative work on the Hydrogen and Decarbonized Gas Market Package progresses, it will be of particular importance to ensure investors' ability to enter into risk-sharing arrangements such as long-term contracts. These are necessary to underpin investments in transformative solutions and secure the energy supplies Europe needs.

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