

Press Release

REPowerEU Plan: domestic gas production deserves stronger role alongside imports and renewables in enhancing EU energy resilience

(Brussels, 18 May 2022) The recognition of domestic gas production's role in the REPowerEU Plan is an important step that deserves to be followed by a clear and concerted EU-level encouragement to boost natural gas output in the coming decade, as part of a broader objective to enhance Europe's energy resilience and continue reducing GHG emissions.

The plan sets out a suite of welcome and much-needed actions to diversify gas imports, accelerate the completion of gas infrastructure, achieve higher energy savings, and further develop renewable energies. In addition to these, IOGP Europe believes stronger consideration of Europe's domestic gas production potential is needed.

"If Europe is serious about strengthening all facets of its energy resilience, the development of natural gas reserves must be valued and pursued alongside that of gas infrastructure and renewables" said François-Régis Mouton, IOGP Regional Director Europe. "In parallel, the EU needs to accelerate the deployment of Carbon Capture Use & Storage (CCUS) and all hydrogen solutions which deliver geopolitical, economic and environmental benefits - the Commission's proposal to double the Innovation Fund is much welcome in this regard" added Mouton.

Together, the EU and Norway hold 3470 bcm of gas reserves¹, equivalent to 22 years of annual Russian gas supplies. In 2021, the EU produced around 50 bcm of gas per year (100 bcm pre-pandemic in 2019), and Norway around 110 bcm. In addition, Europe's oil and gas industry is subject to the highest environmental standards in the world and produces gas with a 30% lower GHG footprint than the global average.

In the aftermath of Russia's invasion of Ukraine, the European oil and gas industry rapidly raised output by deferring routine maintenance where appropriate, prioritizing the extraction of gas over oil, or restarting gas fields. With the right policy framework at EU and national level, this effort could be amplified and sustained while remaining in line with the EU's 2050 climate neutrality target.

To leverage the full potential of gas reserves as mentioned in the REPowerEU Plan, the EU should:

- define an EU ambition and action plan to boost domestic gas production by 2030 and 2050,
- accelerate permitting to unlock reserves in the short term and coming decades,
- review measures that hamper the development of Europe's natural gas reserves, and
- leverage E&P activities in coexistence with other users of the seas, to accelerate the development of offshore renewables and hydrogen, and CCUS value chains.

IOGP Europe and its Members continue supplying the EU with the energy it urgently needs, and stand ready to help strengthen the EU's strategic autonomy, including through domestic production.

¹ Rystad Energy

About IOGP Europe

The International Association of Oil & Gas Producers (IOGP Europe) is the voice of the European upstream industry. Its 80+ Members account for 90% of Europe's oil and gas production and 40% globally. IOGP Europe supports the EU's objective to reach climate neutrality in Europe and calls for an inclusive policy framework to help reach it.

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