

Press Release

Recognition of CCS on path to 2050 marks a step change, but approach to low-carbon solutions remains too narrow.

Brussels, 6 February 2024: The 2040 climate target and carbon management proposals released by the European Commission recognize the need for Carbon Capture and Storage (CCS) but miss out opportunities offered by solutions such as abated gas in power generation or low-carbon hydrogen.

Combined with the political agreement reached on the Net Zero Industry Act, today marks an important milestone for CCS in Europe. We do believe CCS can play a stronger role across scenarios, in particular when it comes to power generation and low-carbon hydrogen production.

“The differentiation between the role of solid fossil fuels and that of oil and gas was long overdue” said François-Régis Mouton, Managing Director of IOGP Europe. *“The role of gas to reach climate neutrality seems underestimated, perhaps due to a lack of confidence in Europe’s ability to scale up CCS. Telling the CO2 storage segment they are investing for 15 years only isn’t exactly the type of signal it needs to kickstart investments”*.

In power generation, the large-scale dispatchable flexibility offered by abated gas-fired power plants will be needed to stabilize grids given the high share of intermittent renewable energy expected in the mix. As for hydrogen production, CCS applied to methane reforming can reduce the burden on renewables by unlocking the large-scale production of low-carbon hydrogen.

Subsequently, we believe the amount of CO2 stored in 2040 and 2050 has the potential to grow higher than the relative stagnation envisaged by the Commission with the right market conditions, and deciding how much of the captured volumes should be stored or used should be left to the market.

We welcome the Commission’s call on Member States to include their CO2 capture needs in their National Energy and Climate Plans, as well as its intent to improve public understanding and awareness of CCS.

“The task at hand will be extremely challenging. The European Institutions can rely on our industry to face it together, keep industry in Europe and all sectors onboard the transition” said François-Régis Mouton, Managing Director of IOGP Europe.

About IOGP Europe

The International Association of Oil & Gas Producers (IOGP) Europe is the Brussels-based advocacy arm of IOGP.

Its 90+ Members account for 90% of Europe's oil and gas production and over 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.

Contact

Nareg Terzian

Head of Strategy and Communications

T: +32 2 790 77 73

M: +32 470 90 59 62

E: ntz@iogp.org