



To: Competitiveness Council (Internal Market, Industry)

Cc: Working Party on Competitiveness and Growth (COMPGR0)

23 May 2024, Brussels

Secure, sustainable, and affordable energy for resilient and competitive European industry

As representatives of the natural and liquid gas industry across the entire value chain, we are writing to highlight the security, efficiency, sustainability, and affordability of energy supply as crucial prerequisites to ensure industry remains resilient and competitive in Europe, as also highlighted in the recent call from European industry under the Antwerp Declaration.

Ahead of the Competitiveness Council meeting of 24 May, we would like to share the following recommendations:

1. Enable those industrials who seek Long-term gas supplies:

Considering the EU exposure to the spot market, the need to ensure security of supply in the longer term, and in light of the long-term commitments coming from other global markets, European companies must be enabled to have flexible long-term contracts for gas supplies, accommodate the risk-sharing needed for investors and suppliers throughout the transition. This can only be achieved by sending a political signal recognising the role of natural gas (including the one of producers, importers and operators for transmission, underground storages and import terminals) in the energy transition, re-building the confidence of EU importers to conclude long-term contracts, notably for LNG.

2. Optimizing and re-purposing infrastructure:

It is essential to maintain gas infrastructures fit for secure and flexible energy delivery, while at the same time developing the 'future' grids for the transport and distribution of natural gas, biomethane, e-methane, hydrogen and CO₂ in the most cost-efficient manner, and therefore avoiding lock-in effect. As a starting point, building on the re-stream study to transport CO₂ and hydrogen and its blends¹, the EU should assess the potential repurposing of its onshore and offshore oil and gas infrastructures.

3. Scaling-up Carbon Capture and Storage (CCS): Greenhouse Gas (GHG) emission reductions should not be achieved through de-industrialization, industrial demand destruction due to unnecessarily high energy costs or over-regulation. Rather, there is a need to de-risk carbon management solutions and create a business case for carbon capture to offer another decarbonisation solution and maintain

¹ <https://iogpeurope.org/project/re-stream/>



industrial output in Europe. For this to happen, the legislative acts stemming from the Industrial Carbon Management Strategy and the Hydrogen and decarbonised gas package, should be swiftly adopted in order to contribute to the achievement of the 2030 objectives.

4. Competitiveness regulatory fitness checks:

The European Commission should build-in competitiveness checks of its energy, climate, and environmental policies to ensure that the technology neutrality principle is implemented consistently across all legislations and that all decarbonisation technologies can benefit from financial support based on their own whole energy system merits and CO2 abatement potential. In this sense, a synergic ecosystem of energy systems balanced in diversity and based on multiple decarbonisation strategies (rather than just one) is a better fit for cost and competitive reasons, resilience to uncertainty, whole energy system efficiency, and sustainability of footprints.

We look forward to a constructive collaboration to support the competitiveness of the European industry, retaining investments and jobs in Europe.

Yours sincerely,

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About GasNaturally

GasNaturally is the partnership of gas associations (Eurogas, International Gas Union (IGU), International Association of Oil and Gas Producers (IOGP), Gas Infrastructure Europe (GIE), Liquid Gas Europe (LGE)) that together represent the whole European gas value chain. Our members are involved in gas exploration and production, transmission, distribution, wholesale and retail operations, as well as gas in transport.