International Association of Oil & Gas Producers

POSITION STATEMENT | APRIL 2025

Net Zero Industry Act – CO_2 injection capacity objective

IOGP Europe recommendations to the Draft Delegated Regulation specifying the rules on the identification of authorized oil and gas producers required to contribute to the objective of reaching the Union-target for available CO_2 injection capacity by 2030, on the calculation of their respective contributions, and on their reporting obligations.

General remarks

IOGP Europe, representing the European upstream oil and gas industry, welcomes the opportunity for public consultation offered by the European Commission and would like to share its views on this draft Delegated Regulation (DR), pursuant to Article 23 paragraph 12, whose adoption is critical in the context of achieving the Net Zero Industry Act (NZIA) 50 Mtpa CO_2 injection capacity objective by 2030.

We believe this DR must be fit-for-purpose, taking into account the specific conditions of CO_2 storage projects, providing obligated entities and Member States with flexibility for its implementation while at the same time ensuring legal certainty for the development of an integrated European CO_2 storage market.

We would like to raise some **preliminary remarks regarding the process undertaken by the European Commission in drafting this important Delegated Regulation, ahead of this public consultation**. While we acknowledge the efforts made, we believe there are opportunities for improvement in alignment with the EU's Better Regulation principles, particularly in the areas of transparency, stakeholder engagement, and evidence-based policymaking. For instance, during the data collection process under Article 23(2) and the subsequent calculation of contributions to the CO_2 injection capacity objective under Article 23(3), neither IOGP Europe, representing the European oil and gas industry, nor its members were directly consulted. This lack of engagement undermines the principle of inclusivity set out in Article 23(5), which explicitly encourages cooperation with third parties and can lead to inconsistency during the process of collecting production data.

We insist on the fact that timeframe between the adoption of this Delegated Regulation, the subsequent Commission Decision assigning obligations to individual entities, and the deadline for submission of compliance plans by 30 June 2025 under Article 23(4), is too short, giving obligated entities **insufficient time consolidate their compliance strategies. This challenge is further aggravated by the lack of clarity regarding the threshold value**. Compliance strategies for a 1% obligation differ materially from those for a 5% obligation, both in scope and financial commitment. This ambiguity hinders obligated entities' ability to prepare robust investment plans aligned with their long-term goals in complying with obligations (and deadlines) stemming from NZIA Regulation.

We therefore ask for the postponement of **the June 2025 deadline through a clear timeline starting after the publication of this DR[1] and to establish a process for the verification of production data and of the calculation factor adopted by the European Commission**. This process should be implemented in accordance with the provisions of this Delegated Regulation and the Commission's identification of obligated entities. It would allow these entities to review and either accept or, if necessary, correct any inconsistencies in the production data or the calculation factor used to determine their obligation. Such adjustments would enhance legal certainty, uphold Better Regulation principles, and support the effective implementation of the NZIA's objectives, as they will represent the basis and benchmark against which the annual progress reports (Art. 23(6)) will be compared.

To support the European Commission in the efficient implementation of NZIA provisions related to the Carbon Capture and Storage (CCS) value chain, IOGP Europe would like to put forward the **following recommendations and detailed proposals for amendments** to the text of the Draft DR.

In Annex I, we are including additional recommendations not addressed by this DR but very relevant to the implementation of NZIA and which should be considered by the European Commission in the next phases of NZIA implementation. These relate to aspects for which the Commission is empowered to adopt Delegated Acts by **Art. 23.12: i) the agreements between entities and the conditions for investments' recognition for fulfilling the injection capacity obligation and ii) the detailed conditions under which the Commission may grant an exemption or a derogation to entities under Art. 23, paragraph 7, 8 or 11.**

Main recommendations on the draft Delegated Regulation (DR)

1. Regarding the identification of obligated entities and setting the threshold below which entities are exempt from contribution:

It is important to appropriately define which entities will be subject to a legal obligation toward the CO_2 storage injection capacity objective and to set an appropriate threshold for exemption of authorization holders. This ensures investments in CO_2 storage projects without adding disproportionate burden.

A threshold set too low could unnecessarily burden very small producers who lack the financial or technical resources to develop storage capacity, potentially slowing progress on CCS projects in the EU. Conversely, a threshold set too high could result in an uneven distribution of contributions and unfair market conditions for obligated entities. To preserve competition in the CO_2 storage market and allow small producers to enter into agreements under **Article 23(5)(b)** and **(c)**, the threshold should be set at a balanced level.

Recommendations

- Apply legal obligation under Article 23.1. to entities with a CO_2 storage authorization granted before the adoption of Directive 94/22/EC.
- **Exempt authorization holders producing less than 1% of total EU oil and gas between 2020 and 2023 as well as all small and medium-sized enterprises (SMEs).**
- Holders of small economic interest within oil and gas production licenses should not benefit from this exemption. Such cases should fall under the existing joint venture obligations within oil and gas production licenses provided for in Art. 23.5 (b), (c).
- The CO_2 storage injection capacity obligation should lie with the legal entities authorized under Directive 94/22/EC, as already foreseen by Article 23 of the Regulation. Obligations assigned to different entities within the same Group should remain distinct and not be combined. Each obligation should be tied to the specific entity that generated it. This is consistent with the current provisions of the Regulations that assign such responsibility to the entities that produced during the relevant period 2020-2023 and ensure the automatic transfer of the obligation in case an authorization has been transferred to another entity.
- To ensure data accuracy, **the DR should allow obligated entities to access the underlying data and conversion factors used to determine each entity's contribution** and should establish a process under which the entity can formally review and challenge the assigned obligation in order correct eventual inconsistencies.

[1] Please refer to proposal for amendment to Recital 12 below for more details.

2. On annual progress reporting by obligated entities:

Standardized reporting requirements provide regulatory certainty and ease the administrative burden for obligated entities. These reports must strike a balance between transparency and accountability while safeguarding sensitive commercial information to prevent anticompetitive practices. This should be carefully implemented, ensuring that it is in full compliance with the Commission's Simplification agenda.

Recommendations

- To avoid risks of market distortion or violations of competition law rules, **it is critical that the reports** (under Article 23(6) of the NZIA) **made public by the Commission do not require obligated entities to publicly disclose commercially sensitive information**. Such information could compromise fair competition if shared with competitors, CO_2 emitters or transport operators or third parties.
- **The Final Investment Decision (FID) should be the general, principal compliance milestone** for the obligation to develop CO_2 injection capacity, and not operational capacity – as there is insufficient time to bring such a large volume of capacity onstream by 2030 and given the lack of capture and transport infrastructure.

Proposals for amendments to the Delegated Regulation

	Text of the DR	Proposed amendment	Justification
Recitals			
(6)	It is therefore appropriate to exempt authorisation holders that produced less than [...] of natural gas and crude oil from 1 January 2020 to 31 December 2023 and which represent a total production of natural gas and crude oil accounting for [...] of total Union natural gas and crude oil production over the period concerned.	It is therefore appropriate to exempt authorisation holders that produced less than [...] of natural gas and crude oil from 1 January 2020 to 31 December 2023 and which represent a total production of natural gas and crude oil accounting for **1%** of total Union natural gas and crude oil production over the period concerned, ***with the exclusion of small and medium-sized enterprises (SMEs). In order to implement this threshold for exemption, the Commission, on the basis of data provided by Member States, shall draw up a list of entities to which the 1% threshold is applied. All small and medium-sized enterprises (SMEs) shall be excluded from the scope of the Regulation and, in turn, from the final list, even where their production would otherwise place them above the threshold established by this article.***	A threshold set too low could unnecessarily burden very small producers who lack the financial or technical resources to develop storage capacity, potentially slowing progress on CCS projects in the EU. Conversely, a threshold set too high could result in an uneven distribution of contributions, a sub-optimal geographical distribution of the soon-to-be developed CO_2 storages and unfair market conditions for obligated entities. Therefore, IOGP Europe considers that a 1% threshold provides an adequate level to foster the development of CO_2 storage while ensuring geographical diversity and a fair distribution of the obligations. Please refer as well to justification to Art. 3 below. As outlined in Recital 5 of this draft Delegated Regulation, it is necessary "to pay particular attention to SMEs" and to ensure "fairness in the distribution of the exempted injection capacity amongst obligated entities." We fully support both objectives however it is not very clear how these principles will be practically implemented in the identification of obligated entities. In our views, this can be achieved by combining the threshold for exemption with the explicit exclusion of SMEs from the final list of obligated entities. This approach safeguards and supports the competitiveness of emerging actors in the nascent CO_2 storage sector.

	Text of the DR	Proposed amendment	Justification
(8)	Some Member States allow more than one entity to hold the same authorisation. In such cases, the Member State concerned should indicate the production volumes of each joint authorisation holder so that the Commission can identify whether they are subject to the contribution obligation, and specify the amount of their contribution, or if they are to be exempted.	Some Member States allow more than one entity to hold the same authorisation. In such cases, the Member State concerned should indicate the production volumes of each joint authorisation holder so that the Commission can identify whether they are subject to the contribution obligation, and specify the amount of their contribution, or if they are to be exempted. ***Exempted entities holding small economic interests within oil and gas production licenses should not benefit from this exemption. Such cases should fall under the existing joint venture obligations within oil and gas production licenses provided for in Article 23(5) point (b) and (c) of Regulation (EU) 2024/1735.***	Holders of small economic interest within oil and gas production licenses should not benefit from the exemption. To ensure a smoother implementation of NZIA provisions under article 23, such cases should be handled under the existing joint venture obligations within oil and gas production licenses. This would leverage established mechanisms for responsibility-sharing among license holders and ensure regulatory consistency within the same license.
(9)	Authorisations may have been transferred from one legal entity to another between 1 January 2020 and 31 December 2023. To accurately divide the production volumes between the transferor entity and the transferee entity, it is appropriate to determine the relevant point in time for the division of the production and the corresponding contribution obligation between the holders of the authorisation.	Authorisations may have been transferred from one legal entity to another between 1 January 2020 and 31 December 2023. To accurately divide the production volumes between the transferor entity and the transferee entity, it is appropriate to determine the relevant point in time for the division of the production, **should the transfer of the obligation be possible**, and the corresponding contribution obligation between the holders of the authorisation. ***However, should the transfer of the obligation not be possible, the related share of injection capacity obligation should not be transferred to other obligated entities.***	It may occur that an authorization holder ceased to exist between 2020 and 2023, and the authorization was not taken over from another entity; in those circumstances, the obligation should not be transferred to other entities operating under the same authorization as they cannot be held liable for the production of another operator which does not exist anymore.
(10)	In order that all production on Union territory between 1 January 2020 and 31 December 2023 is translated into an obligation to contribute to the development of CO_2 injection capacity, provision should be made with regard to authorisation holders who have ceased to legally exist on 29 June 2024.	In order that ~~***all***~~ ***the relevant*** production on Union territory between 1 January 2020 and 31 December 2023 is translated into an obligation to contribute to the development of CO_2 injection capacity, provision should be made with regard to authorisation holders who have ceased to legally exist on 29 June 2024. ***In the event that authorisations for which no holders exist have not been assumed by other entities during the reference period, the corresponding portion of the injection capacity obligation shall not be transferred to other obligated entities.***	It may occur that an authorization holder ceased to exist between 2020 and 2023, and the authorization was not taken over from a future obligated entity; in those circumstances, the obligation should not be transferred, as obligated entities cannot be held liable for the production of another operator who ceased to exist.

	Text of the DR	Proposed amendment	Justification
(12)	In accordance with Article 23(4) of Regulation (EU) 2024/1735, by 30 June 2025, the authorisation holders are to submit to the Commission a plan specifying in detail how they intend to meet their contribution to the Union CO_2 injection capacity objective by 2030. In order to allow authorisation holders time to prepare and submit that plan by 30 June 2025, this Regulation should enter into force as a matter of urgency.	In accordance with Article 23(4) of Regulation (EU) 2024/1735, by 30 June 2025, the authorisation holders are to submit to the Commission a plan specifying in detail how they intend to meet their contribution to the Union CO_2 injection capacity objective by 2030. In order ***~~to allow authorisation holders time to prepare and submit that plan by 30 June 2025~~ provide obligated entities with legal certainty***, this Regulation should enter into force as a matter of urgency.	As the text of the draft DR was published with some delay for consultation, considering that obligated entities have until 30 June 2025 to submit their detailed plans on how they intend to comply with their obligations under the NZIA, without even knowing if they will fall or not into the scope of the obligation, even the smallest changes in the extent of the obligation can have an impact on business decisions and implementing options, thus also for the plans. Moreover, the publication of the draft DR does not make it clear which entities will likely be affected, as there is no quantified (percentage) proposal for a threshold for exempted entities in the draft DR. It is also unclear how the Commission will be able to assess the implementation of obligated entities' plans on the basis of their annual reports – prescribed by Article 23(6) of NZIA – in the future, if there was no concrete possibility to develop sound plans since the beginning, due to the above referred circumstances. Therefore, we do not consider it appropriate to use such a wording in the recital, which implies that there is still sufficient time for authorisation holders to prepare and submit detailed, sound plans on how they intend to meet their obligations in the next years. In order to develop a sound detailed plan in time, it would have been necessary to know the scope of the obliged and exempted entities well ahead of the submission deadline for the compliance plans. This is a necessary prerequisite to determine the exact extent of the CO_2 injection capacity obligation for each obligated entity, as the Net-Zero Industry Act foresaw. Since this information constitutes the core of the compliance plan that each entity must develop, and in order to allow future obligated entities sufficient time to draft their plans, we suggest that the Commission provide a timeframe of three months, starting from the publication of the Commission's Communication identifying obligated entities and the related obligations. This will enable them to accurately assess their individual obligations and to prepare realistic and viable contribution plans aligned with the Union's CO_2 injection capacity objective.

	Text of the DR	Proposed amendment	Justification
(13)	N/A	*(New Recital)* *13) In accordance with the principles of Better Regulation, and to ensure that the plans referred to in Article 23(4) are based on accurate and reliable data, the Commission should establish a structured dialogue with Member States and obligated entities. Among its objectives, this dialogue should aim to validate the production data submitted by Member States and to clarify any uncertainties that may arise in the implementation process. This would enable obligated entities to finalize their plans in line with their actual contribution obligations. The structured dialogue should take place following the publication of this Delegated Regulation and the submission of the plans by obligated entities and include the possibility for obligated entities to correct any inaccurate or incomplete information. It is essential that any commercially sensitive information exchanged during this process is treated with strict confidentiality and is not disclosed, published, or communicated to other obligated or non-obligated entities, but should only be object of this dialogue between obligated entities, Member States and the European Commission.*	In order to support a consistent and informed implementation of the compliance obligations, the Commission should be explicitly tasked with facilitating structured discussions between Member States, obligated entities, and the Commission itself. These exchanges would serve to verify and, where necessary, clarify or amend the production data underpinning the obligation calculations, as, at present, access to production data is not available, nor is it possible to ascertain the formulas employed by the Commission to convert such data into kilo-tonne of oil equivalent (ktoe). Given that no universally accepted formula exists for the conversion of oil and gas into ktoe, and considering the significance of this conversion, it is crucial that both the Commission, Member States, and obligated entities are aligned on the accuracy and reliability of the data and its conversion through a structured dialogue. Such a transparent dialogue would provide legal certainty to obligated entities, thereby enabling them to tailor their compliance plans more effectively. In line with the principles of Better Regulation – including transparency, evidence-based policymaking, accountability, and legal certainty – the establishment of such structured dialogue is essential to ensure the quality, clarity, and legitimacy of compliance-related obligations. By providing a forum for stakeholders to review and, if necessary, correct the underlying data, the process reinforces the credibility of the regulatory framework and promotes mutual trust between institutions and affected entities. Furthermore, it enhances the transparency and inclusiveness of the decision-making process, in accordance with the Commission's commitment to open and participatory governance. To this end, this DR should foresee a dedicated period – following the submission of compliance plans – during which such dialogue may take place. It is equally important to ensure that no commercially sensitive information shared in this context is disclosed, made public, or communicated to other obligated or non-obligated entities.

	Text of the DR	Proposed amendment	Justification
Article 2 – Additional rules for the identification of obligated entities			
Art. 2.1	Where an authorisation is held jointly by more than one entity, the relevant Member State shall indicate to the Commission the production volumes of each joint authorisation holder.	Where an authorisation is held jointly by more than one entity, the relevant Member State shall indicate to the Commission the production volumes of each joint authorisation holder, ***after consultation with the entities involved.***	Given that the data collection process as per Article 23.3 in the NZIA was completed prior to the finalization of the Delegated Regulation, the DR should be expanded to facilitate a process for Member States and affected entities to review the already submitted data and make potential adjustments.
Art. 2.3	Where an authorisation holder has ceased to legally exist on 30 June 2024, the contribution obligation corresponding to the relevant crude oil and natural gas production activities between 1 January 2020 and 31 December 2023 falls to the subsequent authorisation holder.	Where an authorization holder has ceased to legally exist on 30 June 2024, the contribution obligation corresponding to the relevant crude oil and natural gas production activities between 1 January 2020 and 31 December 2023 falls to the subsequent authorization holder. ***However, in case no subsequent authorisation holder has taken on the same authorisation after 30 June 2024, the obligation shall be considered as non-existent and shall not be transferred to any other obligated entity.***	Transferring and re-allocating the obligation to other obligated parties without any business dealings in the respective product is not consistent with the objective to ensure "fairness in the distribution", as laid out in recital 5.
Article 3 – identification of exempted entities			
Art. 3.1	Authorisation holders that produced less than [...] of natural gas and crude oil from 1 January 2020 to 31 December 2023 and which represent a total production of natural gas and crude oil, accounting for less than [...] of the total Union production of natural gas and crude oil over the period concerned, shall be considered exempted entities.	Authorisation holders that produced less than [...] of natural gas and crude oil from 1 January 2020 to 31 December 2023 and which represent a total production of natural gas and crude oil, accounting for less than ***1%*** of the total Union production of natural gas and crude oil over the period concerned, ***or which fall under the definition of "micro, small and medium-sized enterprises" (SMEs, as defined in Title 1 of the Annex EU recommendation 2003/361)***, shall be considered exempted entities.	It is recommended that the threshold for exemption should be set at of 1% of the total EU oil and gas production (between 2020 and 2023), with the exclusion of SMEs, for the following reasons: 1. *Fairer distribution of the obligation and inconsistent calculation methods* – Based on the proposed calculation methodology of the individual pro-rata contribution of obligated entities: *(Cumulative EU production 2020-2023 of the entity) / (non-exempted total EU production 2020-2023) x 100 = % of Mtpa injection capacity;* For instance choosing a higher (e.g. 5%) threshold would lead to the repartition of 5% of the total obligation set by NZIA (equivalent to 2.5 Mtpa) among obligated entities, resulting in an unjustified, extraordinary obligation increase amongst a limited number of entities.

	Text of the DR	Proposed amendment	Justification
			If the excess obligation is divided proportionally, it would unfairly penalize the entities most affected. In contrast, a 1% threshold would allow for a fairer distribution of the obligation increase across a larger number of entities, resulting in a more manageable and balanced target increase, especially when excluding SMEs from the obligation. 2. *Weak eventual justification for "administrative burden"* – Every entity obligated if the 1% threshold is chosen should be able to handle the administrative requirements imposed by NZIA similarly to larger companies. Moreover, there is no standard "administrative burden" that can be calculated ex-ante, as the obligation could be fulfilled in many ways, including entering into agreements with other entities. 3. *Diversification* – More exempted entities mean an unequal geographical distribution of the obligation in EU Member States, with the obligation concentrated in the Netherlands, Romania and Italy. This may lead to an inconsistent, possibly suboptimal geographical distribution of CO_2 storage in the European territory. It also means a concentration of the obligation amongst few companies on which the injection capacity development would rely on, therefore increasing the risk of ultimately not reaching the target, and creating unfair market conditions as obligated entities would be forced to move early even if there is no real demand for CO_2 storage sites, while exempted entities would be able to time their investments in line with market demand (i.e. in a more effective and economical manner).

	Text of the DR	Proposed amendment	Justification
Article 4 - calculation methodology of the individual pro-rata contribution of obligated entities			
Art. 4.1	In accordance with Article 23(1) of Regulation (EU) 2024/1735 and for the purpose of the pro-rata calculation, the production of crude oil and natural gas is normalised in kilo-tonne oil equivalent (ktoe).	In accordance with Article 23(1) of Regulation (EU) 2024/1735 and for the purpose of the pro-rata calculation, the production of crude oil and natural gas is normalised in kilo-tonne oil equivalent (ktoe). ***The calculation factor applied to the production data received, for the purpose of normalisation and conversion, shall be object of the structured dialogue and revision of the production data foreseen in recital (13).***	Care should be taken when performing the equivalence from billion cubic meters (bcm) of natural gas to kilo-tonnes of oil equivalent, in order to avoid miscalculation that would result in unfair distributions of the injection capacity obligation. Since Article 23(1) of Regulation (EU) 2024/1735 does not explicitly request for the Commission to normalise the production data received, and since there is no objectively accepted conversion factor, given that it largely depends on the energy content of natural gas, which varies with its composition, it would have been important for the Commission to disclose the specific calculation factor used in the first phase of analyzing the data collected from Member States. Therefore, in line with Recital (13) (New), this should be subject of revision between Member States, the European Commission and obligated entities. Considering the above and the difficulty of correctly identifying the license holder of each producing well in many countries stemming from complex license procedures and contractual relationships, it is likely that errors in the aggregation and allocation of production volumes occur, that can lead to significant inaccuracies in the obligation. Hence, entities should be given sufficient means to verify and - if necessary - dispute the calculation.

	Text of the DR	Proposed amendment	Justification
Article 5 – Annual progress reporting by obligated entities			
Art. 5.1	The reports referred to in Article 23(6) of Regulation (EU) 2024/1735 shall contain at least the following set of information on the CO_2 storage projects under development by the entities:	The reports referred to in Article 23(6) of Regulation (EU) 2024/1735 shall contain at least the following set of information on the CO_2 storage projects under development by the entities, ***without prejudice to requirements regarding the protection of confidential information and shall not be considered binding but merely indicative of progress;***	The reports described in Art. 23.6, that obligated entities are mandated to submit two years after the date of entry into force of the NZIA, and every year thereafter, should include: • NUTS (Nomenclature of territorial units for statistics) level 2 where the project(s) is(are) located; • Non-binding expected annual injection capacity (expressed in CO_2 Mt/y); • Non-binding expected FID date, and expected CO_2 injection capacity that will be made available; The DR should make clear that these reports cannot require obligated entities to provide sensitive (commercial) information in order not to raise concerns under competition law. The publication of data proposed in the draft DR might lead to the following adverse consequences (non-exhaustive list): • mandatory disclosures may give new market entrants access to critical information without having invested in research and development themselves, • if competitors (not only exempted entities but other market players investing in CCS) gain access to this information, it could significantly weaken the obligates entities' negotiating position and market standing • if CO_2 sources and commercial agreements are made public, suppliers could take advantage of this transparency to negotiate higher prices, knowing obligated entities' dependencies and obligations • if financial markets gain access to detailed CO_2 storage project plans and investment timelines, it could lead to speculation, affecting the company's stock price and financial stability

	Text of the DR	Proposed amendment	Justification
			The protection of confidential, commercially sensitive information is reflected throughout the NZIA, both at the level of principle and at the level of certain technical provisions. According to Article 47(2) of NZIA *"Member States and the Commission shall ensure the protection of trade and business secrets and other sensitive, confidential and classified information obtained and processed in application of this Regulation, including recommendations and measures to be taken, in accordance with Union and relevant national law".*
5.1 (a)	the location of the relevant CO_2 storage project(s) with coordinates in a commonly used GIS file format;	***NUTS level 2 territorial unit*** ~~***the location***~~ of the relevant CO_2 storage project(s) ~~***with coordinates in a commonly used GIS file format;***~~	The DR should make clear that these reports cannot require obligated entities to provide sensitive (commercial) information in order not to distort the market functioning. Article 21(1) point a) of NZIA also covers data on the availability of storage sites and mentions that those data should be shared *"without prejudice to requirements regarding the protection of confidential information".* Although it would be more consistent to refer either to the areas published by Member States in line with Article 21 (1) point a) of NZIA or to the areas from which storage sites may be selected determined by the Member States in line with Article 4 (1) of CCS Directive (Directive 2009/31/EC), given the fact that there might still be undiscovered CO_2 storage site and that competent authorities may not have made the above referred information public, a commonly known territorial definition is proposed by NUTS 2 level. This territorial level allows commercially sensitive information to be kept relatively confidential, while still supporting potential storage customers who can directly contact obligated entities based on this and the estimation of potential transport infrastructure projects needed. Providing this kind of data (especially the coordinates) at an early stage of the project, respectively ahead of permitting, would undermine public acceptance-related work which is a long and continuous process.

	Text of the DR	Proposed amendment	Justification
5.1 (b)	the identity of the responsible deployment manager and contact information, in particular for potential storage customers;	the ~~***main identity of the responsible deployment manager and***~~ contact ***point for*** information, in particular for potential storage customers;	The responsible deployment manager may change during the various phases of the project's development and moreover sharing personal data such as the identity of a manager may infringe GDPR rules. It is therefore suggested to provide a generic email address.
5.1 (c)	the expected total storage capacity (in million tonnes of CO_2) per storage site;	**Delete**	Reporting requirements should recognize that entities cannot necessarily commit to developing the envisaged capacities at the early stage of a project, in the case of insufficient commercial agreements or other unforeseen events. Since the development of a CO_2 storage project requires an enabling regulatory framework – which lies beyond the control of the company developing the project – we propose that the Delegated Regulation acknowledge that the achievement of the FID and the subsequent development of the annual injection capacity as foreseen by the EU 2030 target are subject to this condition being met.
5.1 (d)	the expected annual injection capacity (in Mtpa CO_2);	***Non-binding ~~total~~ annual*** storage capacity ***(in million tonnes of CO_2 per year) per storage site***, provided that an enabling regulatory framework is in place	
5.1 (e)	the planned mode(s) of CO_2 transportation from the point of hand-over to the injection site;	the planned mode(s) of CO_2 transportation from the point of hand-over to the injection site **(i.e. the "last-mile" parts of CO_2 transportation infrastructure directly and strictly linked to the storage site);**	Storage operators are not to be mandated to develop CO_2 transport infrastructure which are not strictly part of the CO_2 storage facility needed to reach the storage facility or provide guarantees for the availability of CO_2 molecules to be injected. Requiring obligated entities to include the planned transportation infrastructures to the hand-over point deviates from the duties that storage developers should be mandated with. Storage developers are not in charge for third parties' infrastructure development, as other entities are (e.g. TSOs). This information has to be provided by the operator of the CO_2 transport infrastructure and cannot be requested from third parties like the obligated entities. Moreover, the planned CO_2 infrastructure can vary significantly depending on: safety requirements for the particular transport mode chosen to transport CO_2 (pipelines and other means of shipping CO_2); geographical distribution of emitters; permitting procedures both for capture plants and for the CO_2 infrastructure (and the related time differences in terms of FIDs, that in turn would affect the start date of operations). Since these conditions are beyond the control and scope of business of obligated entities, with the exception of last mile pipelines owned by storage operators, it is not acceptable for these obligations to be assigned to them.
xz	the planned CO_2 transportation infrastructures that will be needed to transport CO_2 to the hand-over point, including the expected start date of operation thereof, as well as the applicable CO_2 quality requirements;	**Delete**	

	Text of the DR	Proposed amendment	Justification
5.1 (g)	the planned sources of CO_2 that are to be stored, including the providers of captured CO_2 with whom commercial agreements have been reached for the use of the relevant injection capacity during the first 5 years of operation;	**Delete**	Annual reports cannot require obligated entities to publicly provide sensitive commercial information in order not to raise concerns under competition law. Since the requested information may be subject to non-disclosure agreements between the contracting parties (emitters and storage developers), publicly disclosing such data could lead to legal actions or hinder the conclusion of commercial agreements, jeopardizing European competitiveness, distorting the market, and harming the reputation of the contracting parties. The proposed measure would clearly not be in line with Article 47 (2) of NZIA.
5.1 (h)	the expected Final Investment Decision (FID) dates, and the expected injection capacity that will be made operationally available by the end of 2030 or earlier.	the ***non binding*** expected Final Investment Decision (FID) dates, and the expected injection capacity that will be made operationally available by the end of 2030 or earlier.	Given the nascent state of the CCS industry in the EU, developing sufficient operational CO_2 storage capacity to meet NZIA liabilities will take longer than five years. Since the development of a CO_2 storage project requires an enabling regulatory framework – which lies beyond the control of the company developing the project – we propose that the Delegated Regulation acknowledge that the achievement of the FID and the subsequent development of the annual injection capacity as foreseen by the EU 2030 target are subject to this condition being met. **IOGP Europe believes that Final Investment Decision (FID) should be the general, principal compliance milestone for the obligation to develop CO_2 injection capacity, and not operational capacity – as there is insufficient time to bring such a large volume of capacity onstream by 2030 and given the lack of capture and transport infrastructure.**

Annex I - Additional items for consideration

We strongly encourage the European Commission to deal in this Delegated Regulation or in a separated Delegated Regulation to with provisions related to the implementation of the CO_2 injection capacity objective and the related exemptions, as foreseen in article 23.12. In particular:

1. Art. 23.12 (b) on the agreements between entities and the conditions for investments' recognition for fulfilling the injection capacity obligation.

Obligated entities should be able to have a range of different options to meet their injection capacity obligations, including through commercial agreements and investments with affiliated, third-party, obligated and non-obligated entities, within and across Member States. Recognizing pre-existing agreements and investment decisions is crucial, as it will ensure legal certainty and facilitate effective compliance.

Recommendations

- Obligated entities able to enter into agreements with their own affiliated entities, including those operating in different Member States, in order to fulfil their pro rata obligations defined under Art. 23.1 and Art. 23.12 (a), and in accordance with the provisions of Art. 23.5 (b) and (c).
- If several obligated entities belong to the same corporate group, their contributions could be aggregated, and one obligated entity could meet all or part of the contribution of its affiliated obligated entity.
- Obligated entities should be allowed to collaborate with non-obligated entities on joint CO_2 storage projects, using their respective shares in the joint venture to fulfil their pro rata obligations.
    - Where such agreements have been established before the entry into force of the NZIA, the full injection capacity made available by 2030, of the relevant joint CO_2 storage projects should be used to fulfil the obligations of the obligated entities involved.
- While IOGP stresses that the European Commission should allocate the obligation on legal entity level (rather than group level), obligated entities should be able through bilateral agreement to transfer some or all of their obligation to another obligated entity, within or outside their own group.
    - As obligated entities are often party to various production ventures with varying shares and license holders, they should explicitly be allowed to net-off and simplify obligations allocated via different licenses by legally transferring parts of their obligations. This would help to better align the obligations with the actual production and avoid confidentiality and competition law issues arising when obligated entities seek to pursue different projects while being JV-partners to other production licenses.
- The annual injection capacity of storage sites shall correspond to the stated annual injection capacity of CO_2 as reported in the storage permit application, as required by Article 7(4) of the Directive 2009/31/EC. The annual injection capacity can only be taken into account if the operator:
    - Has reached a final investment decision (FID) for the corresponding storage project.
    - Outlines a plan for drilling and completion of sufficient injection wells to reach the target.
- Storage operators should not be mandated to develop any of the CO_2 transport infrastructure (including pipelines and other means of shipping CO_2) needed to reach the storage facility or provide guarantees for the availability of CO_2 molecules to be injected.

2. Art. 23.12 (d) on the detailed conditions under which the Commission may grant an exemption or a derogation to entities under Art. 23, paragraph 7, 8 or 11.

Clear criteria are necessary for Member States to request exemptions or derogations. The text of the DR should ensure that the procedures and criteria for Member States will timely and clearly be stated in a standardized manner; and that regulatory relief is granted under justified circumstances while maintaining the accountability of the obligations pursuant to Art. 23.1.

Recommendations

- As foreseen by Article 23.12 of NZIA Regulation, a Delegated Regulation should be foreseen on the process Member States need to follow in order to trigger an exemption pursuant to Art. 23.7, 23.8 or 23.11.
- The DR should stipulate that, within the territory of a Member State requesting an exemption, volumes of CO_2 injection capacity contracted to third parties or of the respective company affiliates before the end of 2027 shall be excluded from the total capacity used by that Member State seeking to obtain the exemption in its territory.
- This DR should stipulate clearly that exempted entities are allowed to enter into agreements in accordance with Art. 23.5 where there is an existing bilateral agreement with entities in the same or different Member States executed before the entry into force of NZIA. After entry into force of the NZIA, obligated entities should be able to use the capacities contracted under bilateral arrangements with the respective exempted entities to fulfil their injection capacity obligation.
- A Member State invoking Article 23.8 shall have written agreements with the storage permit holders located on its territory, in order to use their injection capacities towards the total volume required to trigger Article 23.8. In the absence of such agreements, the storage permit holders shall be entitled to use any part of their annual injection capacity in accordance with Art. 23.5 in any Member State.
- The entities granted a derogation under Art. 23.11 should not be subject to penalties during the derogation period.
- Obligated entities that are exempted from their obligation by Art. 23.7 and 23.8, should not be subject to reporting obligations, and should not be liable if the cumulative annual injection capacity within the Member State is not achieved by 2030. In case of a substantial imbalance, exempted entities can request a derogation regarding the date by which the individual contributions are fulfilled as per Art. 23.11.
- Obligated entities under Art. 23.1 should not be required to develop additional injection capacity than the injection capacity set by Art. 20 and Art. 23.1.
- Assessments referred to in Art. 23.11 shall be performed on a case-by-case basis for each of the obligated entities referred to in Art. 23.1, in line with Recitals 45 and 46.
- Under this DR, "substantial imbalance" pursuant to Art. 23.11 should be clearly defined as the lack of necessary CO_2 capture projects and/or corresponding transport infrastructure by 2030 under existing binding contractual commitments required to underpin the development of CO_2 injection capacity by an obligated entity.
- The assessment of the demand and transportation capacities shall be based on existing and binding contractual commitments between CO_2 capture project developers (or emitters), CO_2 transportation infrastructure actors, and the obligated entity's corresponding injection capacity.
- The DR should describe the process by which the derogations should be requested and granted following a structured process/dialogue between Member States, (through their Competent Authorities) and the European Commission. The following elements should be included:
    - Clear deadlines and procedural steps to be followed;
    - European Commission to examine the proposals and formally approve a derogation regarding the date by which the individual contributions are fulfilled, based on proposals from the Member States (through the respective Competent Authorities).
    - If the European Commission withholds its approval for granting exemptions or derogations, a justification should be provided in writing.