International Association of Oil & Gas Producers

Avenue de Tervueren 188A
B-1150 Brussels
Belgium

reception-europe@iogp.org
www.iogpeurope.org

State Aid Framework for Clean Industrial Deal marks a turn towards pragmatic decarbonization

Brussels, 25 June 2025 - IOGP Europe welcomes the direction taken by the European Commission in the Clean Industrial Deal State Aid Framework (CISAF) adopted today. This signals a notable evolution towards a more pragmatic, technology-neutral, and competitiveness-friendly framework better suited to support industrial decarbonization.

"This more pragmatic approach will make CISAF a stronger and more impactful tool to drive clean industrial transformation. We call on the Commission to collaborate closer with all relevant industrial sectors, as targeted adjustments to key enabling legislation are still needed through the simplification effort as well as a much-needed revision of the hydrogen strategy."

François-Régis Mouton,
Managing Director, IOGP Europe

The recognition of low-carbon hydrogen's role must now be translated into a revised hydrogen strategy and targeted adjustments to its supporting legislation through the upcoming Energy Omnibus. Broadened eligibility for hydrogen-related aid - now including RFNBOs, low-carbon hydrogen, and biomass-derived hydrogen - aligns with Europe's need for access to cost-effective decarbonization solutions.

"We are relieved to see common sense prevail with the possibility for Member States to use schemes which incentivize investment in new gas-based capacity in the absence of alternatives. However, we strongly regret the arbitrary and conflicting requirement to phase out natural gas by 2040" added François-Régis.

This short, technology-specific discriminatory deadline will de facto penalize and discourage such investments increasingly needed as seasonal balancing needs rise - this may negatively impact the EU's competitiveness, security of supply and affordability. This requirement is neither aligned with the technology-neutrality principle nor Member States' prerogative to choose their own energy mix while remaining committed to the EU's climate neutrality goal.

We welcome the Commission's renewed intention to speed-up deployment of carbon capture, its recognition of the role of bidding mechanisms underpinning tools such as the Industrial Decarbonization Bank, and the eligibility of last mile CO2 transport infrastructure to State Aid. We continue to stress the need for comprehensive support across the full CCS value chain - from capture to transport and storage.

About IOGP Europe

IOGP Europe is the European and advocacy arm of the International Association of Oil & Gas Producers (IOGP), the leading voice of the global oil and gas industry and operational excellence center in Safety, Environment and Engineering.

We represent around 30 energy companies accounting for 70% of EU oil & gas production.

We support policymakers in crafting impactful and inclusive policies that drive prosperity for Europe's businesses and citizens.

Contact

Nareg Terzian
Head of Strategy and Communications
Email: ntz@iogp.org

www.iogpeurope.org