

Press Release

EU's hydrogen and energy system vision can only succeed with a more balanced, inclusive approach

(Brussels, 8 July 2020) The Hydrogen and Energy System Integration Strategies mark an important step in the EU's energy transition. Still, their implementation will be an opportunity for Council and Parliament to rebalance and take a more inclusive approach to all clean hydrogen production sources, and to recognize the long-term, cross-sectoral role of gas as well as that of Carbon Capture & Storage and its significant scale-up potential.

“By recognising the value of Europe’s gas resources, networks and assets, the Commission has rightly acknowledged that electrification alone cannot realistically get the EU to climate neutrality by 2050. But to succeed, the future basket of implementing measures will need to be more realistic and ensure that the full range of clean energy solutions are equally able to play their part” says François-Régis Mouton, IOGP Regional Director Europe.

Industrial sectors will need affordable, stable, secure and large-scale supply of clean hydrogen to retain their activity and related jobs in a climate neutral Europe. Delivering the necessary volumes will require a technology neutral regulatory approach which equally incentivizes the deployment of both gas reforming with CCS or gas pyrolysis, and electrolysis with clean electricity.

“On paper, it is easy to pick winners to produce large volumes of clean and cheap hydrogen. What is difficult is to get industrial actors to take on the market, technology and policy risks associated with real investments in a globally competitive landscape. The strategies rely massively on new, hypothetical competitive renewable hydrogen imports while forgetting Europe’s own resources, and its existing strategic energy partnerships which can ensure competitive supply of clean hydrogen from natural gas with CCS or pyrolysis” says François-Régis.

An important and welcome element is the intention to develop a comprehensive terminology and common certification for all renewable and low-carbon gases. IOGP fully supports the development of a system for Guarantees of Origin based on a standardized life cycle GHG emissions certification.

Furthermore, IOGP echoes the IPCC and IEA's views that CCS is indispensable to achieve climate neutrality, and we will actively work with the Commission to bring down remaining barriers and amplify its momentum in Europe. We need to act now to give CCS its full place in the transition as a versatile, large scale and long-term component of the EU energy system.

“We strongly support the creation of a European CCUS Forum, which, alongside the Clean Hydrogen Alliance, will be an excellent place for industry, civil society and policymakers to work together on scaling up these key technologies and retain industry and jobs in Europe. With the right political backing and regulatory framework, we could make a real difference. The EU needs a pragmatic approach to reaching its climate objectives” added François-Régis.

Europe's oil & gas industry looks forward to participating in these discussion fora and providing input to the Strategies' outlined policy and legislative measures.

About IOGP

The International Association of Oil & Gas Producers (IOGP) is the voice of the global upstream industry. Our Members produce 90% of the Europe's oil and gas, and 40% globally. They operate in all producing regions: the Americas, Africa, Europe, the Middle East, the Caspian, Asia and Australia.

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