

# Delegated Regulation on CO<sub>2</sub> injection obligation (NZIA)

## *Eurogas recommendations*

Eurogas welcomes the publication for consultation of this Delegated Regulation, which supplements the rules under the [Net Zero Industry Act](#) (NZIA, Article 23) and aims at providing clarity on key aspects necessary to achieve the annual 50 Mt CO<sub>2</sub> injection target by 2030 (Article 20) with oil and gas producers' individual contributions.

Clear and transparent rules are essential for economic operators subject to this obligation, ensuring they can comply effectively and efficiently.

However, certain provisions of the draft Delegated Regulation lack clarity and may hinder the effective advancement of CCUS technologies. For instance, the timeline of this Delegated Regulation seems problematic for compliance with some of the reporting requirements. In addition, certain requirements in Article 5 risk undermining the competitiveness of the industry.

Unclear requirements, including the data and conversion factors used by the European Commission to define the exemption threshold (Article 3), could create uncertainty for economic operators, potentially discouraging investment and slowing progress toward the Union's 50 Mt CO<sub>2</sub> injection target.

To ensure the regulation supports the development of CCUS, it is crucial to address these ambiguities and provide clearer guidance on implementation.

### Key recommendations:

1. The deadline for submitting plans under Article 23(4) NZIA should be postponed to 31<sup>st</sup> December 2025. This extension would provide entities with adequate time to adjust to the newly introduced requirements and to develop robust and well-structured strategies.
2. The threshold defining exempted entities should be carefully calibrated to strike a balance between safeguarding smaller entities and ensuring that the obligation is fairly distributed, while ensuring steady progress toward the 2030 CO<sub>2</sub> injection target.
3. Increased transparency is encouraged regarding the methodology that the European Commission will use to determine the exemption threshold. This includes clarity on the conversion factors that will be applied.
4. Certain disclosure requirements raise concerns related to competitiveness and practical implementation. A careful and measured definition of the requirements set forth in Article 5 of this Delegated Regulation is therefore advised.

### Timeline for adoption of the Delegated Regulation

The timeline for adopting the Delegated Regulation appears misaligned with the requirement for entities to submit detailed plans on how they intend to meet their contribution to the Union's CO<sub>2</sub> injection capacity objective by 2030.

Article 23(4) NZIA stipulates that, by 30 June 2025, obligated entities must submit these plans to the European Commission outlining their contribution, key steps, and targets. **However, the final text of the Delegated Regulation is expected to be published not earlier than May 2025, followed by a minimum two-month scrutiny period by the European Parliament and the Council of the EU.**

**In this context, the submission deadline should be postponed to 31<sup>st</sup> December 2025, allowing entities sufficient time to adapt to the new rules and provide a well-structured, comprehensive strategy.**

In general, Eurogas would like to underline that **delays in permitting procedures**, particularly in Member States that lack established regulatory frameworks for CCS, **should be taken into account when designing feasible planning and reporting pathways.**

## Article 3 – Identification of exempted entities

### Definition of the threshold to identify exempted entities

The definition of the exemption threshold is critical to provide entities with clarity and certainty regarding their compliance obligations.

In setting this threshold, the European Commission should ensure that small-scale operators are not disproportionately affected by financial burdens. In this regard, it should also be recognised that not all oil and gas producing entities, and especially smaller ones, have the same level of access to suitable depleted hydrocarbon fields or saline aquifers due to technical and legal constraints. In this context, it is essential that the **threshold is carefully calibrated to strike a balance between safeguarding smaller entities while ensuring that the responsibility to comply with the injection obligation is fairly distributed among relevant market participants.** At the same time, it is crucial that the overall progress toward the 2030 CO<sub>2</sub> injection obligation remains on track.

### Disclosure of data reported by the Member States and conversion factors

In general, stakeholders would greatly benefit from access to the information submitted by the Member States, as established under Article 23(2) NZIA. This disclosure would be in line with the general call for transparency, notably applicable for the economic operators' reports to be publicly available (Article 5).

Beyond the absence of transparency about the Member States submission, **the process that would allow the European Commission to derive the exemption threshold, including the applicable conversion factors, is not disclosed, complicating the task to provide concrete feedback. Greater transparency would enhance informed discussions and feedback, and support fair policy making.**

## Article 5 – Annual progress reporting by obligated entities

### Content of the reports

Eurogas understands the clarity needed in listing the information that obligated entities must include in their annual progress reports to the European Commission. Clear reporting requirements are essential to ensure transparency and accountability in the implementation of the CO<sub>2</sub> injection obligation.

**However, certain disclosure requirements raise concerns from a competitiveness perspective. Specifically, the obligation to disclose information on the potential storage customers (Article 5(b)) could expose commercially sensitive data.** The European Commission should carefully consider this aspect transparency should adequately consider the protection of sensitive business information.

Additionally, Eurogas understand the need to disclose **information on the planned mode(s) of CO<sub>2</sub> transport (Article 5(e))**. However, **the level of detail to be provided should not be excessive**, as the obligated entities under this Delegated Regulation are not directly managing the transport infrastructure. The obligation to provide such details, like the CO<sub>2</sub> quality requirements, should instead fall on the relevant transport infrastructure operators, who are best positioned to provide such accurate and relevant information.

Similarly, public disclosure of specific CCS project data – such as site names or precise coordinates – could unintentionally undermine the communication strategies and stakeholder engagement efforts planned by Member States or local authorities to foster public acceptance. For this reason, **greater consideration should be given to the types of information made publicly accessible to avoid jeopardising the successful deployment of CCS projects.**

Eurogas also recommends **treating final investment decisions (FIDs) as a compliance milestone** under Article 5(h). Given that the CCS market is still in its early stages, FIDs should be considered a credible indication of an economic operator's commitment and progress toward meeting its injection obligation also because by 2030 the operational capacities will likely remain limited. Moreover, this criterion is already reflected in Article 23(7)(a) of the NZIA, which recognises FIDs as a valid benchmark of progress. Diverging from this approach in the Delegated Regulation would risk creating inconsistencies between the two legislative texts, potentially undermining regulatory coherence.