19 August 2025

Ending Russian Gas Imports: Ensuring a Practical & Legally Sound Approach

Eurogas acknowledges the Commission's objective to eliminate reliance on Russian gas imports. **To ensure a successful and secure transition, it is essential to address the legal, financial, and technical issues raised by the proposed Regulation** on phasing-out Russian gas imports and improving monitoring of potential energy dependencies.

As a representative of the European gas sector, Eurogas brings the perspective of market participants who will be directly affected by the implementation of the Regulation and contribute to meeting the energy needs of European consumers. To ensure that the Regulation is both enforceable and effective, Eurogas proposes a set of targeted amendments and clarifications. These recommendations are structured around six key areas that reflect the operational realities faced by market participants and the diverse energy security needs across the EU. Together, they aim to strike a balance between delivering on the EU's strategic objectives and preserving legal certainty, market functioning, and security of affordable supply during the transition period.

Eurogas' Six Recommendations

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1. Simplify Reporting Obligations

A. *Focus the Scope on Relevant Imports*

Eurogas recommends clarifying the scope of Art.7 (Submission of relevant information by importers) to ensure proportionality and consistency with the objectives of the Regulation.

The current wording could be interpreted as requiring importers to submit the information required for *all* the gas imported in the EU, regardless of its origin. This creates ambiguity, and would represent a significant and unjustified administrative burden for importers and relevant authorities. Indeed, if Russian gas is imported to the Union after the entry into force of the prohibition and before 2028, it should only be done in compliance with the exemptions listed in Art.4. In such case, customs authorities may require additional contractual information about Russian gas imports. For all other gas imports, basic information on origin is already provided to customs authorities under the Union Customs Code, allowing them to differentiate non-Russian gas from Russian imports.

Therefore, Eurogas proposes that Art.7 clearly limits its scope to imports of natural gas that originates in or is exported from the Russian Federation, or that is imported from an interconnection point whereby gas is presumed to be exported from the Russian Federation. This adjustment would reduce the administrative burden and align reporting obligations with the Regulation's actual enforcement needs – in line with the European Commission's simplification agenda.

EC legislative proposal	**Eurogas proposal**
Art.7(1): Importers of natural gas shall provide customs authorities with all relevant information necessary to implement Articles 3 and 4, in particular appropriate evidence to verify whether the natural gas originates in or is exported directly or indirectly from the Russian Federation. For the purposes of application of Article 4, importers of natural gas shall provide customs authorities and other authorities involved in the monitoring pursuant to Article 9 and 10, with appropriate evidence to assess whether the conditions set out in that Article are met.	**Art.7(1):** Importers of natural gas **entering to the Union through the interconnection points included in Article 7(4), and importers of LNG which originates in or is exported** ~~*directly or indirectly*~~ **from the Russian Federation** shall provide customs authorities with all relevant information ~~*necessary to implement*~~ for the application of Article~~*s 3 and*~~ 4, ~~*in particular appropriate evidence to verify whether the natural gas originates in or is exported directly or indirectly from the Russian Federation.*~~ ~~*For the purposes of application of Article 4, importers of natural gas shall provide customs authorities and other authorities involved in the monitoring pursuant to Article 9 and 10,*~~ with appropriate evidence to assess whether the conditions set out in that Article are met.

In addition, Eurogas highlights the need for further clarification regarding Art.7(4), which establishes a rebuttable presumption that gas delivered via certain interconnection points is of Russian origin. The Regulation presumes that natural gas is of Russian origin unless the importer provides "unambiguous evidence" to the contrary. However, the term "unambiguous" is undefined, leaving uncertainty as to the evidentiary standards and documentation required to rebut this presumption. While this measure aims to

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strengthen enforcement, the Regulation does not specify how importers can conclusively determine and demonstrate that gas transiting these routes is not of Russian origin. In practice, importers may not have full visibility over the entire supply chain or access to upstream contractual data that would allow them to verify origin with certainty. This provision shifts the burden of proof on European importers and may prevent non-Russian imports from reaching the Union, therefore undermining energy security.

Eurogas recommends that the Regulation clarifies the type of documentation that may be accepted as evidence, and that such a requirement be implemented on a best-effort basis. This approach would recognise the technical and commercial limitations faced by importers while still supporting the Regulation's enforcement objectives.

Furthermore, **Eurogas recommends that the Regulation provide clarity on what constitutes presumed Russian origin in the context of LNG imports**. While Art.7(4) includes a list of interconnection points to assess the origin of pipeline imports, no such reference exists for LNG. The Regulation should include a defined list of export terminals or loading ports that are presumed to indicate Russian origin. This would significantly improve transparency and facilitate implementation, helping authorities and market participants apply the rules consistently and avoid unintended disruptions.

B. *Align Reporting Obligations with Existing Customs and REMIT Frameworks*

Eurogas notes that the requirement under Article 7(2)(e) to identify the producer of the gas is often impractical. In many cases, the producer cannot be determined due to the structure of international gas markets, where gas is traded multiple times and transported through complex value chains. There are generally no regulatory obligations to track gas back to its production facility, and logistical and contractual arrangements typically do not include this level of detail. Mandating producer-level disclosure would often be disproportionate and could negatively impact current gas trading practices and the EU's Security of Supply.

Therefore, in line with the Commission's commitment to simplification and proportionality, **Eurogas recommends that the information required under Article 7(2) be limited to what is already reported under existing frameworks such as the UCC and REMIT**, which already provide extensive data on import origin, contract details, volumes, and delivery points. Requiring information beyond what is currently collected would impose unnecessary complexity on the industry.

Table 1: Information required to importers under Art.7(2) is already reported under UCC & REMIT

Information required	**Reported Under UCC** Art.56(2) in connection with UCC Implementing Act (Regulation (EU) 2015/2447) Annex B	**Reported Under REMIT**, in connection with Implementing Act (EU) 1348/2014 – Table 1 (standard contracts)	**Reported Under REMIT**, in connection with Implementing Act (EU) 1348/2014 – Table 2 (non-standard contracts)
(a) Date of the conclusion of the gas supply contract		Field No. 30	Field No. 12
(b) Duration of the gas supply contract		Field No. 49 (or 43), 50, 51	Field No. 43

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(c) Contracted gas quantities, including flexibility rights		Field No. 41 (not including upward or downward flexibility rights)	Field No. 18 ('notional contract quantity') in connection with 19-23 on 'volume optionality'
(d) Identity of the parties to the gas supply contract, including EORI number	LEI should be matched with EORI	1 in connection with 3, 4, 6 and 12 (LEI instead of EORI)	1 in connection with 3-6 and 12 (LEI instead of EORI)
(e) Producer of the gas and country of production / processing	D.E. 3/1'exporter' or D.E. 3/24 'seller'; 5/15 'country of origin', 5/14 'country of dispatch/export'		
(f) Port of first loading (for LNG imports)	5/21 'place of loading'		
(g) Delivery points and flexibilities		Field No. 48	Field No. 41
(h) Any modification of the gas supply contract except price		Field No. 58	Field No. 45

C. *Limit Disclosure of Sensitive Contractual Information*

Eurogas expresses strong reservations about the broad information request powers granted to the European Commission under Art.13(2) v, vi, and vii in connection with the Gas Security of Supply Regulation. The possibility for the Commission to require access to detailed contractual clauses – beyond what is necessary for customs or compliance checks and already provided by the UCC and REMIT – raises serious concerns about commercial confidentiality and legal risk. Such disclosure obligations would create uncertainty for importers and could undermine trust in the regulatory framework.

Eurogas advocates for strictly limiting access to sensitive contractual information, recommending that SoS Regulation requests be confined to data already reported to ACER under REMIT to ensure proportionality and protect commercial confidentiality.

Table 2: Information required to natural gas undertakings under Art.13(2)

Information required	**Reported Under UCC**	**Reported Under REMIT,** in connection with IA (EU) 1348/2014 – Table 1 (standard contracts)	**Reported Under REMIT,** in connection with IA (EU) 1348/2014 – Table 2 (non-standard contracts)
(ii) information on quantities to be supplied and taken, including possible flexibilities under take-or-pay provisions or deliver-or-pay provisions;		Field No. 41 (not including upward or downward flexibility rights)	Field No. 18 ('notional contract quantity') in connection with 19-23 on 'volume optionality'
(iii) delivery schedules (LNG) or nominations (pipeline gas);		Field No. 49-57 ('delivery profile')	Field No. 42-44 ('delivery profile')

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(iv) possible contractual flexibilities concerning the annual contracted quantities, including make-up quantities;			Field No. 18 ('notional contract quantity') in connection with 19-23 on 'volume optionality'
(v) conditions for the suspension or termination of gas deliveries, including force majeure provisions;	Not required		
(vi) information on which law is governing the contract and which arbitration mechanism is chosen;			
(vii) key elements of other commercial agreements that are relevant for the execution of the gas supply contract, excluding price information.';			

2. Clarify the Responsibilities and Scope for the Import Prohibition

A. Define the Importer: Aligning with Existing Legislation

To further enhance legal clarity and facilitate compliance, Eurogas recommends refining the definition of "importer" in Art.2(7). The current formulation may lead to uncertainty about who holds reporting obligations. In our interpretation, Art.2(7) effectively identifies the "importer" as the buyer under a gas supply contract. However, such contracts often involve delivery by the seller within the EU, meaning the buyer may not have access to conclusive information regarding the origin of the gas delivered. As the buyer does not control the supply chain upstream of the delivery point, they may be unable to verify compliance with the ban. Holding them legally responsible for such verification could expose European companies to disproportionate legal and financial risks - including claims and lawsuits initiated by the seller.

For this reason, Eurogas suggests aligning the definition with the terminology used in existing legislation, such as the Union Customs Code (Regulation (EU) No 952/2013). This could be achieved by identifying the "importer" as the natural or legal person responsible for lodging the customs declaration - referred to under the UCC as the "declarant" (Art.5(15)). An alternative could be to amend the proposed definition, including a clear reference to the responsibility of the importer to determine imports into the Union. This approach would ensure legal consistency, simplify enforcement for customs authorities, and clearly delineate obligations for importers. It would also facilitate the effective implementation of Art.7, ensuring that the correct party is held accountable for origin reporting and compliance with import restrictions.

EC legislative proposal	**Eurogas proposal**
Art.2(7): 'importer' means a natural or legal person who has the power to determine and has determined that natural gas from a third country is to be brought into the customs territory of or otherwise placed on the Union market.	**Art.2(7):** 'importer' means a natural or legal person **responsible for lodging a customs declaration in accordance with Regulation (EU) No 952/2013 (Union Customs Code).** ~~*determining that natural gas from a third country is brought into the customs territory of or otherwise placed on the Union market.*~~

	Art.2(7): 'importer' means a natural or legal person who has the power to determine and has determined that natural gas from a third country **is imported** ~~*to be brought*~~ into the customs territory of or otherwise placed on the Union market.

B. Clarify the Meaning of Gas "Directly or Indirectly" Exported

With regard to Art.3, Eurogas notes that the use of the phrase "directly or indirectly" in reference to imports from the Russian Federation introduces significant ambiguity and potential compliance uncertainty. **The concept of "indirect" exports is difficult to define in practical terms. Eurogas recommends replacing the phrase "directly or indirectly" with the clearer and more enforceable wording**: "natural gas that originates in or is exported from the Russian Federation." This alternative maintains the intent of the provision while providing greater clarity and legal certainty for importers and national authorities.

EC legislative proposal	**Eurogas proposal**
Art.3(1): The import of natural gas in gaseous state via pipelines, which originates in or is exported directly or indirectly from the Russian Federation, shall be prohibited as of 1 January 2026 unless one of the exceptions in Article 4 applies.	**Art.3(1):** The import of natural gas in gaseous state via pipelines, which originates in or is exported ~~*directly or indirectly*~~ from the Russian Federation, shall be prohibited as of 1 January 2026 unless one of the exceptions in Article 4 applies.
Art.3(2): The import of LNG, which originates in or is exported directly or indirectly from the Russian Federation, shall be prohibited as of 1 January 2026, unless one of the exceptions in Article 4 applies.	**Art.3(2):** The import of LNG, which originates in or is exported ~~*directly or indirectly*~~ from the Russian Federation, shall be prohibited as of 1 January 2026, unless one of the exceptions in Article 4 applies.
Art.7(1): See point 1.A.	**Art.7(1): See point 1.A.**
Art.7(4): Presumed origin of pipeline imports from listed routes will be considered Russian if the gas is exported directly or indirectly from the Russian Federation.	**Art.7(4):** Presumed origin of pipeline imports from listed routes will be considered Russian if the gas is exported ~~*directly or indirectly*~~ from the Russian Federation.

C. Enable Secondary Trades for Market Liquidity

Eurogas seeks clarification on the treatment of secondary market transactions under existing long-term contracts within the framework of the proposed Regulation. The secondary market plays a critical role in enhancing flexibility, promoting liquidity, and broadening market access. However, the current wording of the proposal may inadvertently restrict such trades, even during the transitional period when certain Russian gas imports remain permitted under the conditions outlined in Art.4.

Specifically, if a company holding an eligible long-term contract resells a portion of its contracted volumes on the short-term market, it remains unclear whether the import of these volumes into the Union would still be authorised. **Eurogas therefore calls on the Commission to confirm that such secondary transactions – conducted under the umbrella of an authorised long-term contract – remain compliant**. Legal certainty on this point is essential to preserve market function and avoid unintended disruptions during the transition period.

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D. Provide a Clearer Definition of "Contracted Quantities"

To improve legal clarity, the definition of "contracted quantities" is refined to exclude optional increases while recognising standard adjustments such as round-up, round-down, FMRQ, and make-good quantities. These reflect logistical or contractual rescheduling practices that do not raise the total volume delivered over the contract's lifetime. The clarification supports flexibility for legitimate contract amendments without undermining the phase-out objective.

EC legislative proposal	Eurogas proposal
Art.2(16): 'contracted quantities' means the quantities of natural gas that the buyer or the importer is obligated to purchase and the seller or the exporter is obligated to provide, as specified in the supply contract, excluding volumes arising from adjustments to the contract, such as make-up quantities, shortfall recoveries, or other volumetric modifications under the terms of the contract; for long-term supply contracts, it means the annual contracted quantities;	**Art.2(16):** 'contracted quantities' means the quantities of natural gas that the buyer or the importer is obligated to purchase **and take, and** the seller or the exporter is obligated **to sell** and provide, as specified in the supply contract, excluding **any quantities** arising **from the exercise by one or more of the parties to such supply contract of an option to increase the quantities thereunder, other than any such increase arising as a result of any round-up quantities, round-down quantities, FMRQ quantities, make-good quantities and/or make-up quantities**;
-	**Art.2(16a): NEW 'round-up quantities' means volumes of natural gas added to the annual contracted quantity in a given year to provide for the last cargo to be rounded-up to a whole cargo**
-	**Art.2(16b): NEW 'round-down quantities' means volumes of natural gas subtracted to the annual contracted quantity in a given year to provide for the last cargo to be rounded-down to a whole cargo;**
-	**Art.2(16c): NEW *'FMRQ quantities' mean the volumes of natural gas which a party is entitled or obligated to take delivery of in subsequent periods in order to compensate for any shortfall in the contracted quantities not taken in prior periods due to force majeure, as provided for in a long-term supply contract;***
-	**Art.2(16d): *'make-good quantities' mean the volumes of natural gas which a party is entitled or obligated to take delivery of in subsequent periods in order to make good the exercise by such party of any downward quantity tolerance rights in prior periods, as provided for in a long-term supply contract;***

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3. Ensure Flexibility for Contract Amendments

Eurogas acknowledges the objective of preventing increases in Russian gas import volumes as described in Recital 17 and Art.4. To that end, the article considers any amendment to an existing supply contract as a new contract subject to prohibitions under Art.3. This provision overlooks the fact that contract amendments are a standard business practice, and can serve multiple purposes, such as a change of payment account, ensuring compliance with regulatory requirements, or decrease supply quantities.

Art.28(2) of the EU Methane Regulation explicitly recognizes contract amendments as a valid means of regulatory compliance. Its accompanying guidance[1] clarifies that amendments which do not affect key elements – such as the contracting parties, duration, product scope, volume, or price – should not be treated as new or renewed contracts.

This blanket restriction could force importers to continue purchases under less favourable terms, potentially undermining the Regulation's intent. **To ensure proportionality and reflect commercial practice, Eurogas recommends that only amendments increasing contracted quantities should be considered as new contracts under Art.4 and Recital 17.** This targeted approach would safeguard legitimate operational flexibility while upholding the objective of phasing out Russian gas imports. As mentioned in Table 1, such modifications (excluding price changes) are already reported under REMIT.

EC legislative proposal	Eurogas proposal
Recital (17) In order to avoid that import volumes provided for in existing supply contracts are increased and not decreased, amendments to existing supply contracts should be considered as new contracts for the purposes of this Regulation, and increases of import volumes by using contractual flexibilities should not benefit from the transition period.	**Recital (17)** In order to avoid that import volumes provided for in existing supply contracts are increased and not decreased, amendments to existing supply contracts **<u>which result in an increase in the contracted quantities</u>** should be considered as new contracts for the purposes of this Regulation, and increases of import volumes by using contractual flexibilities should not benefit from the transition period.
Art.4 (1). Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are executed under a short-term supply contract concluded before 17 June 2025, and not amended thereafter, Article 3 shall apply as of 17 June 2026. (2). Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are:	***Art.4*** (1). Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are executed under a short-term supply contract concluded before 17 June 2025, ~~*and not amended thereafter,*~~ Article 3 shall apply as of 17 June 2026**<u>, provided that any amendments to such contract after that date do not result in an increase in the contracted quantities.</u>** (2). Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are:

[1] EC, Questions and answers on importers requirements of EU Methane Regulation (EU) 2024/1787 (2024).

(a) executed under a short-term supply contract with delivery to an interconnection point with a landlocked country and, (b) that a long-term supply contract with delivery at the virtual trading point of that landlocked country for the import of natural gas in gaseous state via pipelines exists, which originates in or is exported directly or indirectly from the Russian Federation, and which was concluded before 17 June 2025 and not amended thereafter, Article 3 shall apply as of 1 January 2028. (3). Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are executed under a long-term supply contract concluded before 17 June 2025, and not amended thereafter, Article 3 shall apply as of 1 January 2028.	(a) executed under a short-term supply contract with delivery to **a virtual trading point or** an interconnection point with a landlocked country, **which serves for the fulfilment of the long-term supply contract under point (b),** and, (b) that a long-term supply contract with delivery at the virtual trading point **or an interconnection point** of **a** ~~*that*~~ landlocked country for the import of natural gas in gaseous state via pipelines exists, which originates in or is exported directly or indirectly from the Russian Federation, and which was concluded before 17 June 2025**, provided that any amendments to such contract after that date do not result in an increase in the contracted quantities** ~~*and not amended thereafter*~~, Article 3 shall apply as of 1 January 2028. (3). Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are executed under a long-term supply contract concluded before 17 June 2025~~*, and not amended thereafter,*~~ Article 3 shall apply as of 1 January 2028**, provided that any amendments to such contract after that date do not result in an increase in the contracted quantities**.
Art.6 Where the provider of long-term LNG terminal services can demonstrate to customs authorities that those services are provided under a contract concluded before 17 June 2025 and not amended thereafter, Article 5 shall apply as of 1 January 2028.	***Art.6*** Where the provider of long-term LNG terminal services can demonstrate to customs authorities that those services are provided under a contract concluded before 17 June 2025 and not amended thereafter, Article 5 shall apply as of 1 January 2028, **provided that any amendments to such contract after that date do not result in an increase in the volume of services**.

4. Address Legal Risks for EU Importers: Accompany the Proposal with a Robust Legal Assessment

Eurogas highlights the urgent need to address legal risks EU importers face in the context of the phase-out of Russian gas. Terminating long-term contracts may expose importers to significant claims from their counterparties, who may argue that the Regulation does not release them from contractual obligations. This is particularly sensitive in the case of long-term contracts, where counterparties could demand payment under take-or-pay clauses for undelivered yet contracted volumes beyond 2028, potentially amounting to

billions of euros[2]. Even if such claims are ultimately unsuccessful, their mere initiation – especially through arbitration – could have severe financial consequences. Importers may be required to take provisions and/or create large financial reserves in anticipation of such proceedings, threatening their financial viability and, by extension, the security of gas supply in the EU, with considerable ripple effects to national and EU economy.

To avoid such instances and ensure energy affordability, Eurogas underscores the importance of legal certainty for companies acting in compliance with the Regulation and of reducing litigation risks for EU importers. The possibility of counterparties pursuing arbitration – regardless of the Regulation's intent – remains a serious concern for companies bound by long-term contracts. In this context, **Eurogas would expect that the proposed Regulation is accompanied by a robust legal assessment confirming that its provisions offer a clear and enforceable legal basis to terminate Russian gas imports without exposing companies to contractual penalties.**

For instance, the Regulation should include a legal safeguard to protect European importers from financial liabilities arising from contractual obligations after the entry into force of the import prohibition – e.g. such as those arising from take-or-pay clauses. This clarification would help avoid additional economic burden, reduce litigation risks, and ensure greater legal certainty for companies complying with the ban's provisions. Unlike past sanctions adopted under Art.215 TFEU (e.g., Regulation 833/2014), the proposed measures rely on Art.207 TFEU as a trade safeguard, referring also to Regulation 2015/478 on common rules for imports, WTO rules, and the Agreement on Safeguards. This shift highlights the legal conditions that must be met to protect EU companies from potential claims and to mitigate potential liabilities for EU companies under affected contracts. Clear legal grounding is essential to ensure importers can rely on the Regulation as a solid defence in any legal challenge, helping them avoid costly litigation or major financial reserves.

5. Ensure a Fair Transition: Address Regional Exposure and Affordability Risks

The phase-out of Russian gas must be implemented in a way that preserves energy security and affordability across all Member States, acknowledging the uneven exposure and structural constraints that exist across the EU. Several Member States – particularly those that are landlocked or more reliant on Russian gas, with limited options for diversification in the short term – face unique challenges in accessing diversified supplies. These challenges are compounded by infrastructure limitations, higher transportation costs, and the need to find alternatives in the short term. Importantly, specific care should be taken for Member States where electricity security of supply is heavily dependent on gas, and Russian gas still represents a significant portion of these imports, without readily available alternatives (heavily affecting both security of supply and affordability). As provided in Regulation 2022/1369 on coordinated demand-reduction measures for gas, the assessment and practical treatment of the interlink between steady gas imports and the stability of the power system must be prioritised.

[2] Roadmap towards ending Russian energy imports (COM/2025/440) estimates 36.5bcm of Russian natural gas imports to the EU in 2025. At an average cost of 35€/MWh (the annual average gas wholesale price according to DG ENER's Quarterly report on European gas markets, Volume 17), this would amount to approximately €13.5 billion.

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To avoid disproportionate economic and social impacts, **Eurogas recommends maintaining the flexibility foreseen in Art.15 of the proposal, which allows for the temporary suspension of Chapter Two in case of a sudden and serious threat to security of supply.** This safeguard is essential to recognise the specific vulnerabilities of certain Member States and to preserve system stability in times of crisis. To enhance legal clarity and predictability, **Eurogas further suggests that the Regulation specifies how this exemption can be triggered** – for example, when a Member State declares a national alert level under the Gas Security of Supply Regulation (EU) 2017/1938.

In parallel, **national diversification plans should explicitly assess and address affordability risks, in line with the European Commission's Competitiveness Compass, Action Plan for Affordable Energy and the Clean Industrial Deal**.

6. Ensure European Gas Security Through Diversification

As Russian gas exports to Europe continue to decline, diversification of supply sources becomes a strategic imperative – not just for energy security, but also to support affordability and stability. Eurogas reiterates that the successful phase-out of Russian gas must be accompanied by a credible, market-based strategy to secure alternative supplies, enable investment in infrastructure, and restore predictability for market participants.

The assumptions underpinning the Commission's projections for gas demand and supply deserve closer scrutiny. The Staff Working Document accompanying the gas import ban proposal anticipates a decline in EU gas demand of 40–50 bcm by 2027. Yet, recent market data shows that this trend may already be reversing: according to the Q1 2025 Quarterly Gas Market Report, EU gas demand increased by 8% year-on-year, largely due to a partial recovery in industrial consumption and colder winter conditions. Just as demand forecasts warrant careful evaluation, supply-side assumptions – including the timely availability of alternative LNG liquefaction projects – must also be approached with caution, given potential technical, logistical and commercial constraints.

In this context, the EU must take care to diversify its gas supply without creating new dependencies. ACER's 2025 Monitoring Report on European LNG market developments shows that Europe has emerged as the world's largest spot LNG buyer, importing around 30 bcm on the spot market in 2024. Phasing-out existing long-term contracts may increase the EU's exposure to significant market volatility and price risk.

To deliver a secure, credible and realistic transition, Eurogas recommends the following[3]:

- Recalibrate gas demand projections based on pragmatic, range-based modelling that guides investment;
- Avoid policy-induced volatility by resisting excessive market intervention;
- Remove regulatory barriers to supply diversification by:

[3] Eurogas, REPowerEU : Delivering Energy Security and a Realistic Transition (2025)

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- Addressing importers and third-countries technical concerns related to the EU Methane Regulation and Corporate Sustainability Reporting Directive, which risk preventing supply diversification in a context where the EU is phasing-out an important share of its gas supplies;
- Creating a supportive framework for renewable and low-carbon gases such as biomethane, hydrogen and their derivatives.

The EU cannot afford to treat gases as a residual commodity. It remains a cornerstone of Europe's energy resilience, industrial competitiveness, and transition delivery. A coherent, investment-friendly policy framework will be essential to diversify away from Russian gas while safeguarding Europe's energy future.

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