

Eurogas Statement:

Calling for urgent adjustments to EU gas and LNG rules in light of the current market disruption

12 March 2026

On behalf of Eurogas and our members, we would like to thank the European Commission and Member States for the very open and constructive exchanges on the current market situation, which we greatly value. This statement sets out Eurogas' assessment of the evolving market situation and, for the regulatory files most immediately affected, offers specific, actionable recommendations for the consideration of the Commission and Member States.

Before going into sharing elements on the unfolding scenario on the LNG markets, we would like to reiterate that the recommendations concern both LNG and pipeline gas supplies and that the points raised below should be read in that light. The recommendations that we are putting to your attention in the last section of the letter in relation to the EU regulations affecting Europe's supply are in no way new and have been communicated and discussed on numerous occasions prior to the current situation. They simply are now more compelling and in need of being urgently addressed under the current circumstances.

Europe is being exposed to the ongoing market disruption in the global gas and LNG market. Approximately 20% of global LNG production transit through the Strait of Hormuz, and the combination of the closure of the Strait and Iranian drone attacks on Qatar's facilities has removed a critical share of flexible supply from the global system. Qatar exports outside of the Gulf ~107 bcm of LNG per year and the UAE ~7 bcm per year; these exports are now partly or fully interrupted, while LNG ship operators may also be willing to reduce the loadings at Oman's terminal (~16 bcm per year) because of security risks. In addition, Israel has shut some of its offshore producing fields that export gas to the region. Our assessment is that the global LNG market is currently losing up to about 2.5 bcm every week, with the total loss dependent entirely on how long the disruption lasts. If the current disruption around the Strait of Hormuz were to be sustained through 2026, supply from the Middle East could fall by around 90 bcm, only partially offset by higher exports from other sources. The potential loss of Middle Eastern LNG over a prolonged crisis would clearly exceed the supply growth that was expected for 2026, tightening the market even in the absence of additional demand growth¹. This disruption in supplies will inevitably have an impact on prices as already experienced since the start of the crisis.

Although most exports from the Gulf (~100 bcm) were directed to Asia, a significant share - ~13 bcm per year - was reaching European markets, and these volumes will now need to be replaced. On top of this, there is an additional impact: Asian buyers will also have to replace the volumes they previously imported from the Gulf, and they will end up competing with European buyers for the available LNG supply that had previously been

¹ Market analysts expected roughly 40 bcm of new LNG supply to come online globally in 2026, primarily from the US and Canada and mostly in the second half of the year. Global gas demand was also projected to grow this year, reaching a new historical high, driven by Asia, Eurasia, Africa and the Middle East [Gas Market Report, Q1-2026](#), IEA, 23 January 2026

destined for Europe. In parallel, Europe will enter the refilling season with very low gas storage (currently at 29% compared with a five-year average of 44%). To meet the 90% storage target by 1 December 2026, market participants would need to inject more than 60 bcm this summer, compared with about 50 bcm injected in 2025, and is therefore expected to rely on higher LNG imports in 2026. Full use of the flexibilities foreseen in the gas storage framework could bring this requirement down to roughly 45 bcm.

The combination of these factors creates a dilemma: whether to start filling storage now, even at elevated prices, to hedge against a prolonged disruption, or to wait, in line with current forward curves that suggest lower prices later, in the hope that the situation calms. If the situation normalises quickly, early high-price injections may look costly *ex post*; but if it does not, Europe could face a larger problem later in the year, with less time and higher prices to meet the rigid legal targets.

In the above-described scenario, several elements of the current regulatory framework continue to limit flexibility at the very moment when we need more of it, notably the recent prior-authorization regime for gas and LNG imports under REPowerEU, the design and application of the storage filling targets, and the current stage of implementation of the Methane Regulation. We address each below, together with our recommendations.

I. REPowerEU Gas/LNG - preserve every flexible cargo

Our industry is taking all necessary actions to implement the political objective of reducing dependence on Russian gas and ensuring transparency on supply origins. However, unclear and uneven implementation and burdensome pre-authorization processes risk becoming a *de facto* barrier to the very supply diversification and flexible sourcing that Europe urgently needs.

Our analysis of national implementation already reveals a deeply fragmented landscape in terms of requirements and procedures to be followed. In some cases, the system is overly prescriptive on evidence (excluding for example the use of certificates of origin) even for countries where infrastructure makes Russian gas import/transit physically impossible, which is disproportionate.

Additionally, (i) authorisations per contracts (and not for single imports) are only allowed in very limited cases, (ii) authorisations issued in one Member State are not transferable or recognised in other Member States (no mutual recognition), (iii) there is uncertainty about the timing of response from the competent authorities and (iv) there are no clear guidelines whether operational tolerance volumes, an inherent feature of every LNG cargo, are excluded from compliance requirements.

We acknowledge that the Regulation exempts Algeria, Nigeria, Norway, Qatar, the United Kingdom and the United States from prior authorisation and that these exemptions cover ~90% of EU gas imports (~80% without Qatar). **But the remaining share of volumes are exactly those marginal cargoes that clear the market and set the price.** In the current market situation, where flexible LNG could represent up to 60 bcm/year in Europe in 2026, we simply cannot afford that a single flexible LNG cargo is delayed in port, stranded at sea, or rerouted to Asia because prior authorisation is unclear or pending, particularly at a time when the JKM premium is already redirecting cargoes towards Asian buyers.

As well as potentially removing or delaying the marginal cargo from reaching the market, and therefore impacting the gas price and thus affordability and competitiveness of the EU, the current legislation - requiring a 5 day minimum pre-authorization period - may have the effect of removing the ability of these flexible cargos from diverting to the EU port where demand is highest, thus limiting the modulating effect of LNG to balance prices across the EU market.

Recommendations:

In our view, the Commission should consider temporarily suspending the prior-authorization regime, as provided for in Article 13 of Regulation (EU) 2026/261. At a minimum, the Commission should:

- **Issue within days harmonisation guidance to national authorising and customs authorities,** covering at minimum:
 - (a) acceptance of existing documents currently used in commodity trading and recognised as international good practice, specifying that any such documentation might be accepted by authorities, including but not limited to certificates of origin, bill of lading, volume determination report, long-term contracts, ship tracking records, proof of authorisation by another authority etc.;
 - (b) acceptance of EU LNG terminal declarations for reloads and transshipments where terminals operate separate Russian/non-Russian accounting systems;
 - (c) confirmation that contract-based authorisation validity, i.e. authorisations that may cover a contract which is implemented with more than one consignments / declarations as per point 9 of the Commission guidance, is the expected standard and should be applied by all Member States. After such an authorisation, the authorised cargos can be freely delivered into EU without friction from requiring further pre-authorization; and
 - (d) clarification that operational tolerance volumes (heel gas, contractual tolerances) do not trigger additional prior authorisation requirements.
- **Request national competent authorities to introduce a firm maximum response deadline of 12 hours** for prior authorisation decisions for non-Russian gas, with tacit approval where no decision has been issued within that deadline.
- **Encourage the establishment of mutual recognition of authorisations between Member States.**
- **Make clear in communications with Member States** that, during this crisis, prior authorisation procedures must be implemented in such a way that no flexible LNG cargo bound for Europe is delayed or diverted for purely procedural reasons.

II. EU Storage Regulation - maximise and transparently signal flexibilities

We remain concerned that rigid application of filling targets can distort the market, increase the "peak of pressure" on LNG demand, and risk forcing purchases at very high prices to meet compliance deadlines if they are applied without regard to global supply conditions.

At the same time, we recognise that the legislation does contain some flexibilities, for both Member States and the Commission, that can be used to adapt to exceptional circumstances. Member States already have

tools to adjust the indicative trajectories and use the tolerance margins foreseen in the legislation in light of market conditions, but a clear political signal from the Commission that full use of these flexibilities is expected and supported in a disruption scenario may send an important signal.

Europe risks paying an "ambiguity premium" given that the market does not know whether a Member State will be held to 90% or can use 80% (or 75%).

From the point of view of market participants, Europe should activate flexibility now, at the start of the filling season, not retroactively later this year. Regulatory ambiguity has a cost that will be priced into every cargo delivered into Europe this filling season. This is a matter of market efficiency, not just supply security.

Recommendations:

- **Issue immediately a public communication** confirming that the Commission will support full use of all flexibilities built into Regulation (EU) 2025/1733 in 2026. Specifically:
 - Confirm that the 10 percentage point deviation under Article 6a(5a) is available to Member States in light of the current difficult market conditions.
 - Initiate the Delegated Act under Article 6a(5c) for the additional 5 percentage point deviation, bringing the effective minimum target to 75%, before the first intermediate indicative trajectory date in May.
 - Encourage Member States to make early and public use of these flexibilities, and to communicate by the beginning of April their adjusted trajectories transparently to the market.
- **In the Gas Coordination Group and other fora, send a clear political signal** that Member States should not interpret the targets in a way that forces "at any cost" injections.

III. EU Methane Regulation - targeted interim arrangements

We acknowledge that the Commission and DG ENER are working to make implementation possible, including through practical compliance pathways and clarifications on penalties. Eurogas supports efforts and stands ready to continue contributing.

Nonetheless, uncertainty and the extraterritorial reach of the rules are already having a concrete and documented impact on contracting².

Recommendations:

In our view, a "stop the clock" approach should be considered at this stage. At a minimum, the Commission should:

² VNG has stated that it "sees risks for long-term import contracts and thus for security of supply in Germany as a result of new EU regulations to reduce methane emissions" (Die Welt, 2 February 2026). Uniper has confirmed that it "has delayed concluding LNG trade agreements, in part, due to uncertainty around the regulation," adding: "to make a decision whether you sign or not sign, you need to solve this" (S&P Global, 23 February 2026).

- Provide immediate clarity on the treatment of contracts signed during the current market condition, including a formal confirmation that penalties will not apply to contracts concluded before practical compliance pathways with key exporting countries are fully operational.
- Establish a clear and time-bound transition period during which importers can demonstrate good-faith engagement with exporters without risk of penalty.
- Continue to work at full speed with exporting partners and industry on practical implementation, while recognising that, in the immediate term, the ability to conclude necessary new long-term contracts necessary for the European security of supply must not be undermined by regulatory uncertainty.

Looking ahead

We put these recommendations forward also to safeguard the precondition for a successful transition: secure and affordable energy for European consumers and industry in the face of an external shock beyond Europe's control.

Eurogas and its members stand ready to work closely with you and your services in the coming days and weeks, including by sharing concrete examples and operational insights that may help the Commission and authorities navigate the situation. Our main goal is to strengthen Europe's contractual position in global LNG markets and to ensure that EU regulations support rather than impede supply diversification.