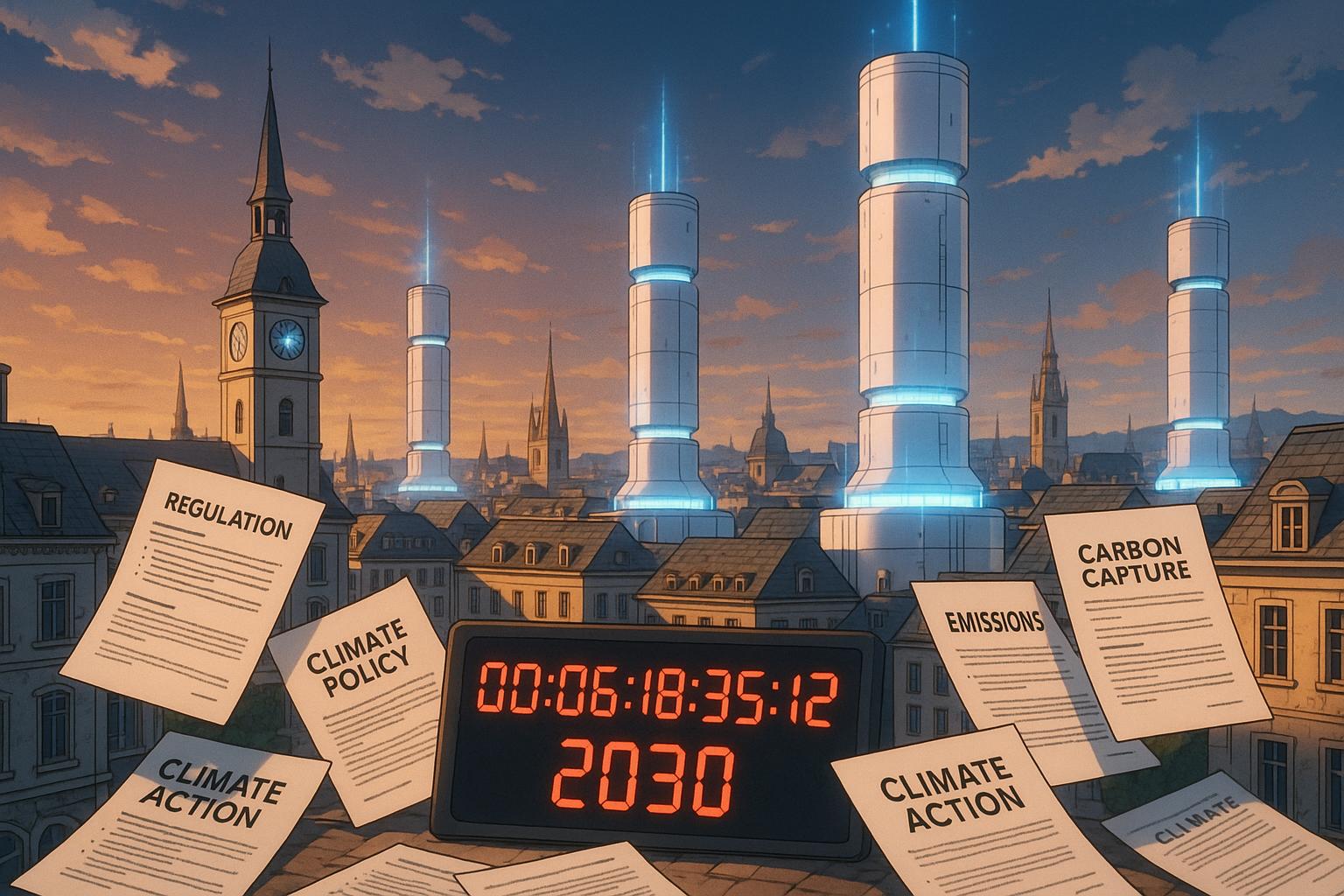
# European oil and gas firms slash CO2 storage capacity forecasts amid regulatory deadlock



European oil and gas firms have recently revised their projections for carbon dioxide (CO2) storage capacity in Europe by 2030, now indicating a significantly lower estimate. This downward adjustment has been largely attributed to regulatory uncertainty, which many in the sector argue is hindering the progress of essential projects. The implications of this shift are profound, as the region strives to meet ambitious carbon reduction targets amid mounting climate challenges.

The operational landscape for carbon capture and storage (CCS) is fraught with difficulties. As noted in industry reports, one of the foremost issues is the slow pace of regulatory developments. Companies have found themselves in a limbo, waiting for governments to finalise frameworks that would facilitate the rollout of CCS operations. The costs associated with CCS are substantial; estimates reveal that they range between €130 and €150 per tonne, with transport and storage often representing up to 80% of these expenditures. This financial burden underscores the hesitance of investors, who require more concrete and stable regulatory environments before committing significant resources.

Despite rising carbon prices within the European Union Emissions Trading Scheme (EU ETS), many project developers contend that these prices remain inadequate to cover the full spectrum of operational costs. High carbon prices are essential for making CCS economically viable, yet without state support to mitigate risks and uncertainties, many projects remain stalled or unfeasible. This situation is especially problematic given the European Commission's legally binding target of capturing and storing at least 50 million tonnes of CO2 annually by 2030. Achieving this goal will necessitate not only a clear regulatory framework but also robust infrastructure capable of supporting a dramatic increase in storage capacity.

While projections for CCS capacity in Europe have been optimistic in the past, forecasts indicate that significant acceleration is required. Currently, the capacity is expected to grow 23-fold by 2030, starting from a relatively low base when compared to the United States. Meeting net-zero ambitions hinges not just on expanding capacity but on overcoming a myriad of challenges spanning the entire CCS supply chain—from capturing CO2, to transporting it, and finally to storage.

The discourse surrounding CCS also highlights the urgent need for a comprehensive, cross-border approach to regulation and market development. Stakeholders agree that collaboration among various nations is essential to ensure a sufficient supply of permanent geological storage sites. In tandem with government efforts, industry stakeholders must take proactive steps to streamline processes and advance technologies that can enhance the feasibility and effectiveness of CCS initiatives.

Prominent voices in the energy landscape, such as those from the International Energy Agency, have stressed the importance of immediate actions to bridge the gap between conceptual plans and operational realities. Timely applications for permits and adaptive policymaking will be crucial in positioning CCS as a cornerstone of the European green transition. As the region grapples with its climate goals, the tension between ambition and practicality continues to challenge both the regulatory and investment landscapes.

In summary, while the European oil and gas sector has adjusted its CO2 storage capacity estimates for 2030 due to regulatory uncertainties, achieving long-term climate objectives will depend on overcoming financial, technical, and collaborative hurdles. As stakeholders navigate these waters, the success of CCS could play a pivotal role in shaping Europe's carbon-neutral future.

### Reference Map

* Paragraph 1: (1)
* Paragraph 2: (2), (6)
* Paragraph 3: (3), (4)
* Paragraph 4: (5)
* Paragraph 5: (7)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://carbon-pulse.com/397935/> - Please view link - unable to able to access data
2. <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/energy-transition/062624-european-ccs-industry-continues-to-face-delays-as-challenges-stack-up> - This article discusses the challenges facing the European carbon capture and storage (CCS) industry, including regulatory uncertainty and high costs. It highlights that CCS costs range between €130 and €150 per tonne, with transport and storage accounting for up to 80% of this. The article also notes that project developers are awaiting governments to finalize regulatory frameworks for CCS operations, which is causing delays in project development.
3. <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/energy-transition/031423-barriers-remain-to-commercial-ccs-rollout-in-europe-despite-high-carbon-prices> - This article examines the barriers to the commercial rollout of carbon capture and storage (CCS) in Europe, despite high carbon prices. It discusses the need for state support due to risks posed by immature technology, lack of established economic models, and the early stage of industry development. The article emphasizes that while carbon prices have risen, they are still insufficient to cover the full costs of CCS projects, necessitating government intervention.
4. <https://www.euractiv.com/section/energy-environment/news/eu-sets-worlds-first-target-for-underground-co2-storage-capacity/> - This article reports on the European Commission's proposal to set a legally binding target of capturing and storing at least 50 million tonnes of CO₂ annually by 2030. It highlights the challenges in achieving this target, including the need for a cross-border, single market approach and the development of a forward-looking supply of permanent geological CO₂ storage sites.
5. <https://think.ing.com/articles/carbon-capture-storage-outlook-2025-gaining-ground-despite-challenges/> - This article discusses the progress and challenges of carbon capture and storage (CCS) in Europe. It notes that European capacity is projected to grow 23-fold by 2030, though from a much lower base compared to the US. The article highlights challenges in the entire CCS supply chain, including capturing, transporting, and storing CO₂, and emphasizes the need for significant infrastructure development to meet net-zero ambitions.
6. <https://energynews.pro/en/ccs-in-europe-between-regulatory-and-financial-challenges/> - This article examines the regulatory and financial challenges facing carbon capture and storage (CCS) in Europe. It notes that the costs of CCS in Europe are estimated at between €130 and €150 per tonne, with the majority of these costs relating to CO₂ transport and storage. The article also discusses the disparity between these costs and the price of allowances under the European Union Emissions Trading Scheme (EU ETS), posing a significant financial challenge for project developers.
7. <https://www.iea.org/commentaries/it-is-time-for-ccus-to-deliver> - This article from the International Energy Agency discusses the need for carbon capture, utilization, and storage (CCUS) to deliver on its potential. It highlights that while policy makers can help accelerate and clarify procedures, industry must also take action and move beyond concept announcements. The article emphasizes the importance of early application for permitting and the need for both policy and industry action to achieve net-zero emissions by mid-century.