

To: Mr Matthew Baldwin, DG ENER, Deputy Director-General
Mrs Mechthild Wörsdörfer, DG ENER, Deputy Director-General
Cc: Deputy Permanent Representatives – Coreper I

Brussels, 24 October 2023

Industry views regarding the prolongation of the joint purchasing & demand aggregation mechanism

Dear Mrs Wörsdörfer, dear Mr Baldwin,

On 28 September, the Commission adopted its Report on the main findings of the review of Council Regulation 2022/2576 in view of the general situation of the gas supply to the Union (COM(2023)547final).

We understand from this report that the Commission is considering prolonging the joint purchasing & demand aggregation mechanism (Energy Platform) through the extension of the Council Regulation 2022/2576, as well contemplating to integrate this mechanism in a more structural way in the Recast Gas Regulation. Co-signatories have been active members of the Industry Advisory Group of the Energy Platform and some of them shared already their views about it in a letter sent earlier (link [here](#)).

In accordance with the above-mentioned Commission Report: *“outside the context of an emergency situation, it is the normal functioning of the European gas market, driven by competition, which should determine whether and how companies may want to cooperate for the purchase of gas and within the limits of the EU competition rules”*. The Energy Platform has been established on a time-limited basis, with the aim of helping *‘undertakings to obtain supplies from alternative natural gas suppliers or providers under advantageous conditions as a result of the demand aggregation and joint purchasing’* and it is not clear what benefit the Energy Platform would bring on a permanent basis.

We commend the Commission for having developed and implemented a functioning platform within a very short timeframe, however **there is a lack of data justifying making it permanent**.¹ Only three tender rounds of the Energy Platform have been completed: while prospective buyers have placed demand on the Platform and suppliers made offers, matched volumes are less than 1% of volumes traded on the gas TTF platform alone and no reports exist about concluded contracts following the matching at the Energy Platform.

Therefore, we reiterate our call not to make permanent the Energy Platform through the Recast Gas Regulation. Rather, we **propose to prolong the measures related to joint purchasing and demand aggregation through the Council Regulation 2022/2576 for one more year**. Such an extension will allow a proper impact assessment of the functioning and the effectiveness of the Platform.

¹ In addition, the Oxford Institute for Energy Studies (OIES) in a recently published assessment (link [here](#)) and also concluded that the Commission would need more substantial justification for any upgraded mechanism.

We look forward to engaging in constructive dialogue and collaboration.

Yours faithfully,

Francois-Regis Mouton CEO International Association of Oil & Gas Producers Europe (IOGP Europe)	Mark Copley CEO European Federation of Energy Traders (EFET)	Christian Baer Secretary General Association of European Energy Exchanges (Europex)	Nicola Rega Executive Director Climate Change & Energy European Chemical Industry Council (CEFIC)	Peter Claes Chairman International Federation of Industrial Energy Consumers Europe (IFIEC Europe)	James Watson Secretary General Eurogas	Milton Catelin Secretary General International Gas Union (IGU)
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SIGNATORIES:

The International Association of Oil & Gas Producers Europe (IOGP Europe) is the European voice of our industry, an enabling partner for a low-carbon future. We pioneer excellence in safe, efficient, and sustainable energy supply, and work with policymakers to deliver a policy framework enabling our Members to scale up investments in the EU's transition towards climate neutrality by 2050. For more information:

www.iogpeurope.org

The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 130 energy trading companies, active in over 27 European countries. For more information: www.efet.org

The Association of European Energy Exchanges (Europex) is a not-for-profit association of European energy exchanges with 34 members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading, and provides a discussion platform at European level. For more information:

www.europex.org

European Chemical Industry Council (CEFIC), founded in 1972, is the voice of large, medium and small chemical companies across Europe, which provide 1.2 million jobs and account for 15% of world chemicals production. Cefic is registered in the EU Transparency Register under n° 64879142323-90. For more information: www.cefic.org

The International Federation of Industrial Energy Consumers Europe (IFIEC Europe), represents the interests of industrial energy users for whom energy and carbon emissions constraints represent a significant component of production costs and a key element for competitiveness. IFIEC is a cross-sectoral organisation with companies active in all major industrial sectors: Automobile, Brewing, Cement, Chemicals, Copper, Fertilizers, Food, Glass, Industrial gases, IT Telecommunication, Metals, Paper, Pharmaceuticals, Plastics, Railways, Steel. IFIEC aims to be a privileged source of information and advice on all international and European energy and climate policies. In the context of the energy transition, IFIEC has a triple objective: competitive prices of electricity and natural gas for companies in Europe, increased security of energy supply of energy in Europe, efficient European and international climate policies. For more information:

www.ifeceurope.org

Eurogas is the association representing the European gas sector. Our 76 members and associate members are active throughout the entire gas value chain, covering production, trading, distribution, and supply of natural gas, biomethane and hydrogen. For more information:

www.eurogas.org

The International Gas Union (IGU) was founded in 1931 and it is a worldwide non-profit organisation representing more than 150 members in more than 80 countries. The members of the IGU are national associations and corporations within the gas industry, covering over 90% of the global gas market and working in every segment of the gas value chain, from the supply of natural and decarbonised gas, renewable gas and hydrogen, through their transmission and distribution, and all the way to the point of use. For more information:

www.igu.org