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Proposal for a Motion for a Resolution

to the Plenary session of the European Parliament

on selected issues concerning the Hydrogen and decarbonised gas market package¹

The European Parliament (EP) recognises the urgent need to review the existing EU gas legislation to consider the energy transition demands and reach the EU's energy and climate goals. In this respect, EP welcomes the European Commission's (EC) publication of the Hydrogen and Gas Market Decarbonisation package, underlining the importance of Hydrogen in the future gas market.

The European Parliament (EP) recognises the Commission's proposals (<u>regulation</u> and <u>directive</u>) to create the conditions for a shift from fossil natural gas to renewable and low-carbon gases, in particular biomethane and Hydrogen, and strengthen the resilience of the gas system.

Note: these sections below indicate that the issue was not fully approved and needs to be discussed at the Committees; a discussion is needed at this meeting.

One of the main aims is to establish a market for Hydrogen, create the right environment for investment, and enable the development of dedicated infrastructure, including trade with third countries. The market rules will be applied in two phases, before and after 2030, covering access to hydrogen infrastructures, separation of hydrogen production and transport activities, and tariff setting.

A new governance structure in the form of the European Network of Network Operators for Hydrogen (ENNOH) will be created to promote a dedicated hydrogen infrastructure, cross-border coordination and interconnector network construction and elaborate on specific technical rules.

The new rules will make it easier for renewable and low-carbon gases to access the existing gas grid by removing tariffs for cross-border interconnections and lowering tariffs at injection points. They also created a certification system for low-carbon gases to complete the work started in the <u>Renewable Energy Directive</u> with the certification of renewable gases. This will ensure a level playing field in assessing the complete greenhouse gas emissions footprint of different gases and allow the Member States to compare and consider them in their energy mix effectively.

¹ Please note that this draft is general motion, the final version of this document will bet the subject of our discusion



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In order to avoid locking Europe in with fossil natural gas and to make more space for clean gases in the European gas market, the Commission proposes that long-term contracts for unabated fossil natural gas should not be extended beyond 2049.

Another priority of the package is consumer empowerment and protection. Mirroring the provisions already applicable in the electricity market, consumers may switch suppliers more efficiently, use practical price comparison tools, get accurate, fair and transparent billing information, and have better access to data and new innovative technology. Consumers should be able to choose renewable and low-carbon gases over fossil fuels.

High energy prices in recent months have drawn attention to the importance of energy security, especially when global markets are volatile. The Commission has proposed to improve the resilience of the gas system and strengthen the existing security of supply provisions, as promised in the <u>Communication and Toolbox on Energy Prices</u> of 13 October and as requested by the Member States. In case of shortages, no household in Europe will be left alone, with enhanced mechanical solidarity across borders through new pre-defined arrangements and clarifications on controls and compensations within the internal energy market. The proposal extends current rules to renewables and low carbon gases and introduces new provisions to cover emerging storage considerations into risk assessment at the regional level. The proposal also enables joint procurement by the Member States to have strategic stocks in line with the EU competition rules.