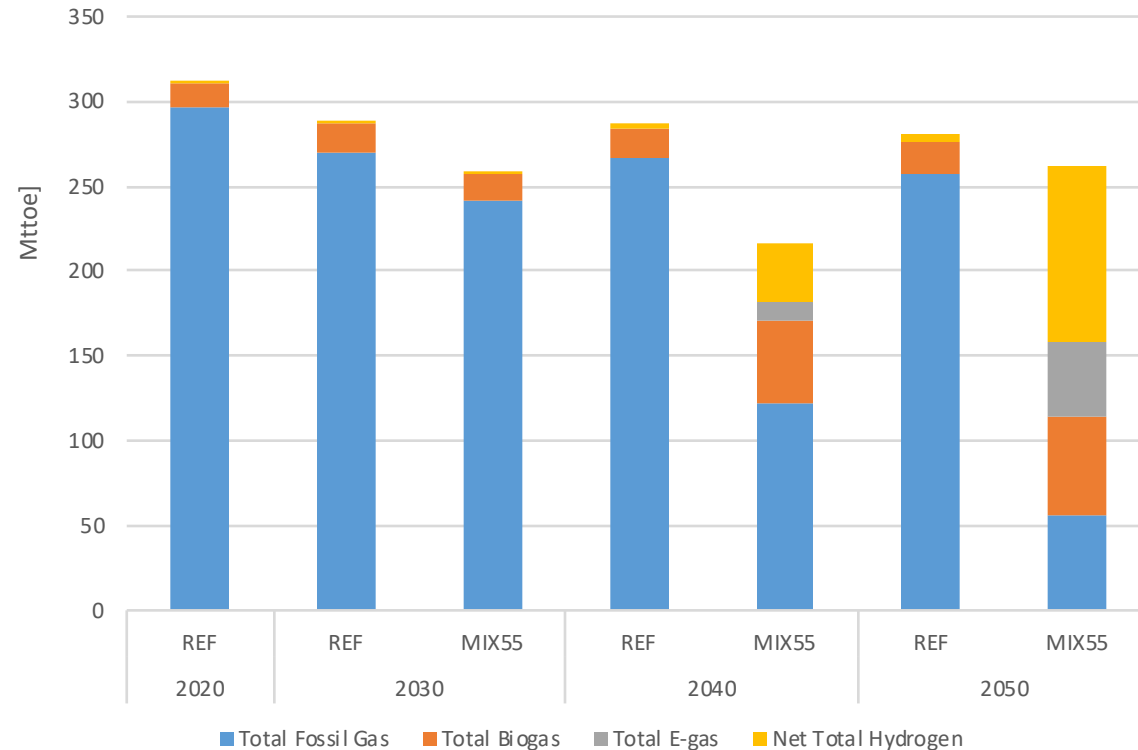




# Fit for 55 package

**Hydrogen and gas markets  
decarbonisation package**

# Expected changes in the composition of gas as an energy carrier in the EU towards 2050



- Gaseous fuels will continue to provide an important share of the energy mix by 2050, requiring the decarbonisation of gases.
- Gaseous fuels approximately 20% of final energy consumption in 2050.
- Gaseous fuels will include biogas, bio-methane, renewable and low carbon hydrogen as well as synthetic methane.
- MIX55 scenario as presented in the chart is scenario compatible with the goal of climate neutrality in 2050.

# Hydrogen and gas markets decarbonisation package: 5 policy aims in three revised legal acts

## Aim of legislative proposals:

- I. Facilitate access **renewable and low-carbon gases** into existing gas network, including certification issues
- II. Enabling development of **dedicated hydrogen** infrastructure and market
- III. Integrate **network planning** electricity, gas and hydrogen
- IV. Promote **consumer engagement** in renewable and low carbon gas markets
- V. **Improve resilience and security of supply**

### Revision of:

- Gas Directive
- Gas Regulation
- Security of gas supply Regulation

# I. Facilitating access of renewable and low-carbon gases into the existing gas network

- Removing cross-border tariffs for renewable and low carbon gases (i.e. 100% discount), including at borders with Third countries and LNG terminals.
- 75% discount on tariffs for the injection and connection of renewable and low-carbon gases production facilities.
- 75% discount on tariffs at entry and exit points to gas storage facilities.
- Introducing a 5% allowed cap for hydrogen blends at interconnection points between Member States to avoid cross-border flow restrictions due to differences in blending, which network operators must accept. No blending obligation; voluntary agreements for higher blends possible.
- Certification of low-carbon gases, including low-carbon hydrogen, to complete the certification of renewable gases, including renewable hydrogen, that we proposed in the RED III.

## II. Enabling development of dedicated hydrogen infrastructure and market

### REGULATORY FLEXIBILITY IN TRANSITION PHASE (UNTIL 2030)

- Negotiated access regime allowed. Leaves flexibility for network operators and users to agree on tariffs.
- Legal separation between natural gas and hydrogen network operators.
- Cross subsidization of hydrogen networks by natural gas network revenues is allowed, but must be transparent. The cost can only be levied on domestic users + limited in time + subject to regulatory approval.
- Separation of hydrogen production and supply activities from transport activities, but ITO unbundling model accepted.
- Existing private hydrogen networks are exempted from unbundling and access rules. Exemptions expiring in 2030, or if they get connected to regulated network, or if network (capacity) is expanded.
- Establishment of the European Network of Network Operators for Hydrogen (EU-level representation of hydrogen network operators).

### CLEAR REGULATORY PERSPECTIVE FOR END PHASE (AS OF 2030)

- Regulated access regime.
- Only ownership and Independent System Operator unbundling models allowed.
- Targeted exemptions for hydrogen valleys (geographically confined networks).
- Equal regulatory regime for intra-EU and import pipelines (before and after 2030).



### III. Fostering integrated network planning electricity, gas and hydrogen

National network development plan based on joint scenario electricity, gas and hydrogen.

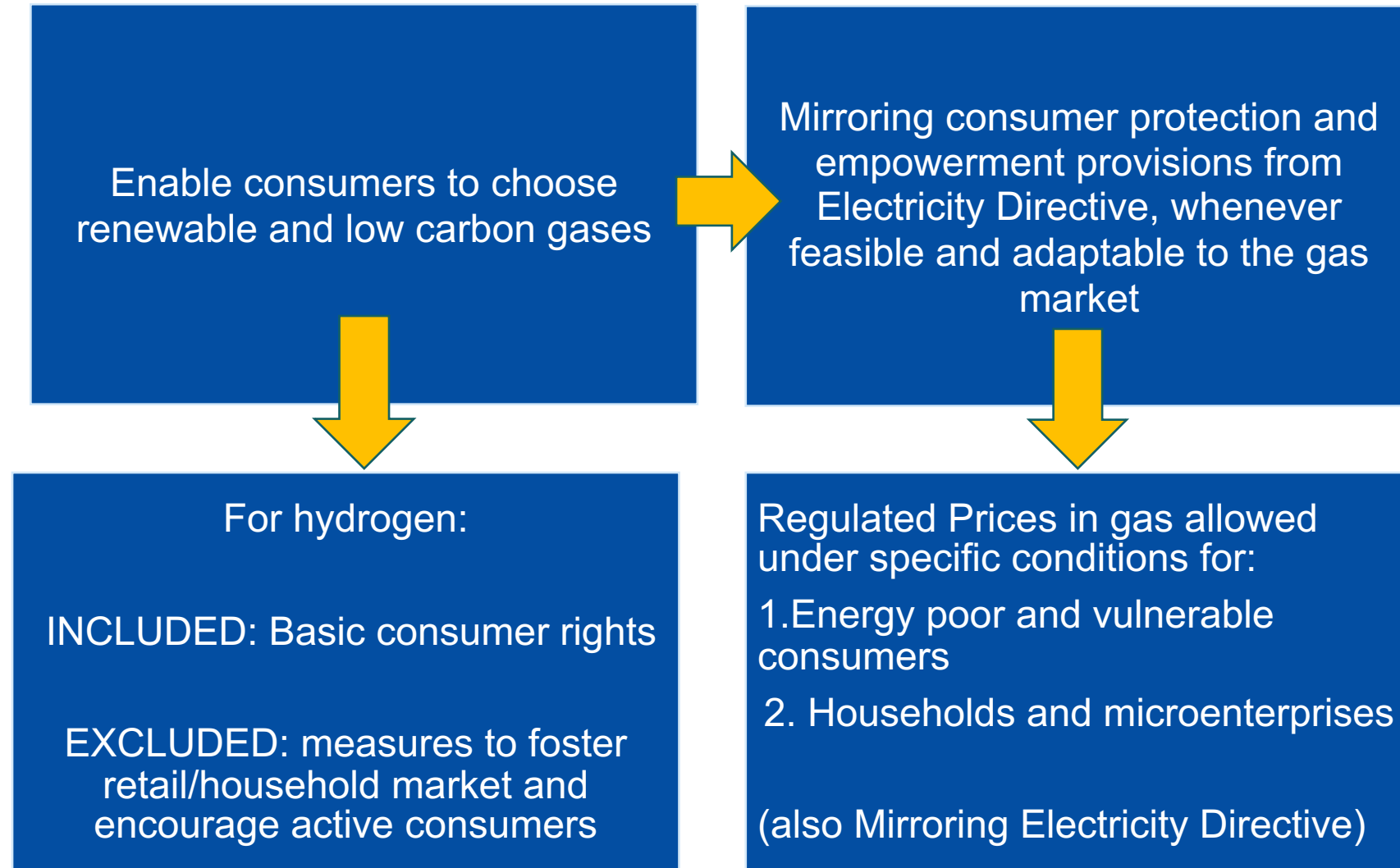
Gas network operators include information on infrastructure that can or will be decommissioned (and could potentially be repurposed for transport of hydrogen).

Alignment with National Energy and Climate Plans (NECPs) and Union wide Ten Year Network Development Plan.

Long-term gas contracts cannot go beyond 2049.

Separate hydrogen network development reporting to ensure that construction of hydrogen system is based on realistic and forward looking demand projection.

## IV. Promote consumer engagement in renewable and low carbon gas markets



# Thank you