

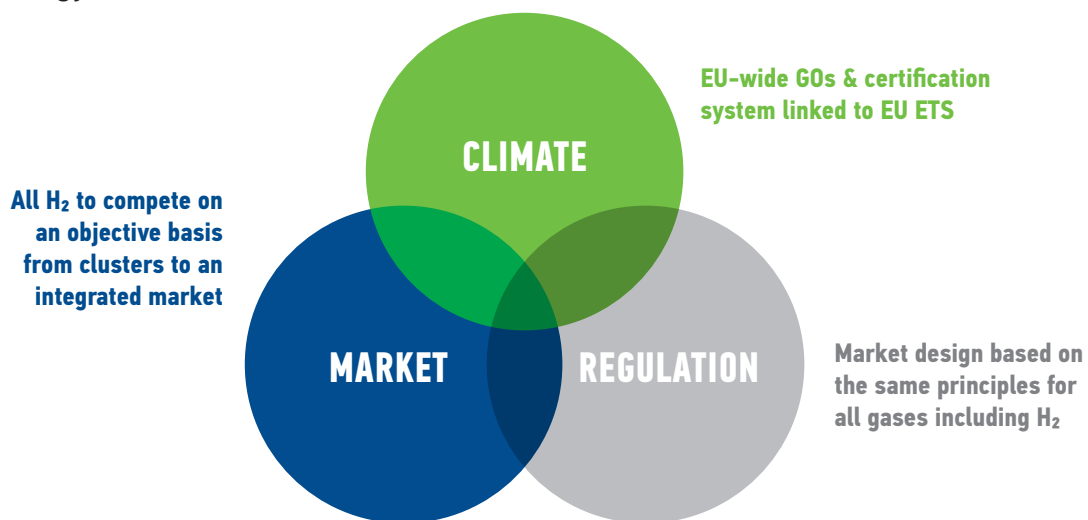
# ENTSOG 2050 ROADMAP

## ACTION PLAN ►



## SAME MARKET PRINCIPLES FOR ALL GASES INCLUDING HYDROGEN

Integrating new gases into the EU's energy system, developing new grids and efficiently interlinking them with existing systems and markets will inevitably require the evolution of existing energy market rules.



ENTSOG Agenda for the Markets, ENTSOG, 2020.

ENTSOG's 2050 Roadmap sets out an agenda for this change and is reflected in the EC's Energy System Integration and Hydrogen Strategies. ENTSOG considers that three key principles need to underpin the basic objectives for an updated gas market design:

1. **All types of hydrogen must be able to compete on an objective basis** taking account of their externalities (notably GHG) at the relevant moment of transition from first clusters to a mature market;
2. **A standardised Guarantees of Origin (GO) framework needs to be established, with GOs and certificates being easily transferable and compatible with EU ETS** and based on objective life-cycle calculations of relevant externalities and notably GHGs;
3. **Both gas and hydrogen markets need to be based on the same underlying regulatory principles** – existing Internal Energy Market legislation. Whilst the foundations on which the Internal Market is based need to be fully respected.

**This will require a review of gas legislation to ensure competitive, decarbonised gas markets, based on the following principles:**

1. Hydrogen infrastructure should provide third party access on a non-discriminatory basis;
2. Network operators must remain neutral;
3. Open and competitive EU market with prices based on competition, cost-based transportation/infrastructure, carbon costs, and external costs and benefits;
4. The concept of virtual blending could be explored.

Gas TSOs are committed to facilitate this development and to contribute to the cost-effective and efficient development of the emerging evolved market framework, ensuring non-discriminatory access to hydrogen infrastructure, not least to prevent potential problems of the development of uncompetitive and dominant market structures for the supply of H<sub>2</sub>.

## ADVISORY PANEL FOR FUTURE GAS GRIDS



In addition to contributing to the development of Europe's future gas grids, **the Advisory Panel for Future Gas Grids will ensure a transparent and inclusive examination of the grid-related aspects of the future gas market design:**

1. Based on the Gas Directive and Regulation, discuss and agree on the market arrangements relevant for hydrogen infrastructure and promote consistent application of these arrangements throughout the EU. Discuss how the existing gas network codes rules could be helpful in development of the hydrogen market.
2. Process for developing the hydrogen market arrangements, to align with process that was adopted for the creation of the gas network codes.
3. Technical aspects of trading hydrogen should broadly mirror the gas trading arrangements.
4. Assess 'virtual blending' as a market tool under certain conditions to link hydrogen and natural gas systems.

## PRIME MOVER GROUP ON GOs AND CERTIFICATES



In addition, ENTSOG and GIE will further develop the **Prime Mover Group on GOs and certificates**, active since 2018. The group has successfully developed recommendations on the optimal ways of addressing the development and transferability of GOs under the existing and future legal framework. **The following illustrates the next priorities of the group:**

1. **Work for a harmonised EU Certification scheme based on life cycle analysis for all energy carriers** and that a standardised GO framework is implemented throughout the EU:
  - GOs for all energy carriers should reflect (after externalities GHGs emissions and sustainability criteria) determined on a life cycle basis;
  - GOs in its final form should be capable of being easily transferable between energy carriers and across borders;
  - GOs in its final form should be compatible with EU ETS
2. **Support and convert the legislation of all hydrogen production pathways in the upcoming review of the gas legislative framework** (Regulation & Directive): RED II, Monitoring and Reporting Regulation (MRR) include under definition of "renewable" all hydrogen produced from renewable sources including biogas.
3. With the CEN Standard 16325 for GOs, **a quick set-up, effective functioning and interoperability of the different national GO schemes should be secured.**
4. **Continue cooperation on CO<sub>2</sub> transportation and storage** with relevant stakeholders.
5. **Be active in EU programming of R&D activities** (including on CCUS/pyrolysis) via the Clean Hydrogen Partnership under Horizon Europe.

**More about the ENTSOG 2050 Roadmap Action Plan:**  
<https://www.entsog.eu/roadmap-action-plan>

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