

## *Press Release*

### ***ENTSOG initial reaction to the publication of the EC's Hydrogen and Decarbonised Gas Market Package***

(Brussels, 15 December 2021, PR0261-21) **ENTSOG recognises the urgent need to review the existing EU gas legislation to consider the demands of the energy transition and reach the EU's energy and climate goals. In this respect, ENTSOG welcome's the European Commission's (EC) publication of the Hydrogen and Gas Market Decarbonisation package, underlining the importance of hydrogen in the future gas market. However, ENTSOG finds that the package could address EU goals with more efficient measures to facilitate the transition of gas grids to clean methane and hydrogen molecules, by allowing for more synergies, also with electrons, and ensuring security of supply for the societal benefit.**

Energy system integration will require the removal of "silo effects". To this end, ENTSOG welcomes the recognition of hydrogen under the gas market design, following its underlying principles. However, the creation of a European Network of Network Operators for Hydrogen ("ENNOH") will lead to unnecessary fragmentation of the energy system, complicate planning and create greater administrative burden when the EU needs to take quick and efficient actions. In contrast, **the integration of hydrogen in gas network activities, such as network planning, market monitoring and network-code implementation, within the auspices of ENTSOG would provide a sound framework for hydrogen market growth, especially while the hydrogen market remains immature.**

ENTSOG welcomes the inclusion of provisions on gas quality handling, which reflect the need for TSOs to manage gas quality to provide for smooth functioning of pure methane, pure hydrogen and the blending pathway, as relevant and necessary for users. ENTSOG is committed to the energy transition and believes that the current and well-established working processes (such as integrated network planning under the TYNDP) and solutions (such as tariff-setting principles for TSOs and cost allocation models) best serve this development.

ENTSOG believes that EC's proposal for all hydrogen network operators to be either fully ownership-unbundled by 2030 or ISO, combined with the proposed model for legal unbundling of gas and hydrogen assets, will stifle or delay investment in hydrogen infrastructure and undermine network development. ENTSOG believes that existing gas infrastructure is an asset that can be repurposed for transporting hydrogen with the lowest possible societal costs. Indeed, for ENTSOG TYNDP 2022, promoters have already submitted 90 projects in the hydrogen categories and 90 further transmission projects in the repurposing and fuel switch categories. Therefore, ENTSOG notes with concern that the EC proposal does not recognize this initiative and instead could create additional legal and regulatory hurdles.

Incoming General Director of ENTSOG, Piotr Kuś commented, ***“Although the full embrace of renewable technologies is very much needed on the production and end use side, on the transmission side ENTSOG members promote the work for a well-planned, cost-effective systems integration and smooth transition, while ensuring security of supply.”***

ENTSOG appreciates the amendment of the Security of Supply Regulation with the inclusion of renewable and low-carbon gases and the definition and possible usage of strategic stocks in a Security of Supply crisis.

ENTSOG remains committed to working together with all stakeholders, especially the European Commission to develop efficient and economical development of hydrogen infrastructure and achieving the EU's energy and climate goals.

Should you require any further information, please contact external Communication Manager, Carmel Carey at [ENTSOG.Communications@entsog.eu](mailto:ENTSOG.Communications@entsog.eu).

#### Editorial notes

- > **The European Network of Transmission System Operators for Gas (ENTSOG)** was founded in line with Regulation (EC) 715/2009 and has played a key role in facilitating integration of the European gas markets, ensuring technical interoperability and providing security of supply by gas infrastructure planning. Looking forward, ENTSOG is contributing to the net-zero decarbonisation by 2050, in particular, by the integration of renewable and low carbon gases via future-proof gas transmission pipelines, in line with the EU energy and climate goals. More information on ENTSOG can be found on our website – or contact [info@entsog.eu](mailto:info@entsog.eu).