

European commission
boosters decarbonised
gases with new gas package



On 15 December 2021 the European Commission published a proposal for a revised Gas Directive¹ and a revised Gas Regulation.² This is the long awaited Gas Package following the proposal of the Fit-For-55-Package earlier this year. The purpose of this new Gas Package is to boost the European production, transport, trade and supply of renewable and low-carbon gases, such as hydrogen. These gases will play a central role in achieving climate neutrality and the penetration of renewable and low-carbon gases into the energy system will enable a shift away from fossil natural gas. The Gas Package also sets the market regulation for hydrogen.

The highlights of the Gas Package are:

1. The Gas Package aims at consumer empowerment and a stimulation of trade in renewable gases. This is similar to the purpose of the Clean Energy Package on the electricity market.
2. The regulation for hydrogen networks is similar to the current regulation of gas networks. This (a.o.) means that a system of regulated access to hydrogen networks will be introduced (provided that Member States can opt for negotiated access until 2030) and that hydrogen network operators will need to be unbundled from production, trade and supply.
3. The Commission proposes to in principle eliminate cross-border tariffs for renewable and low-carbon gases to facilitate sales across borders into the European market. This aims to facilitate the most promising production spots in the EU. Moreover, the Commission proposes to grant discounts of 75% on the entry tariffs for renewable gases.
4. The Gas Directive will contain a legal basis for the certification of renewable and low carbon gases, including hydrogen. This system references the certification of renewable fuels under the Directive 2018/2001 (ie Renewable Energy Directive II) with the amendments proposed under the FitFor55-package and mirrors the respective thresholds, eg a 70% reduction in greenhouse gas emissions compared to conventional fossil fuels. Relevant to the certification will also be clarity on the creation of the Union's database and the long-awaited Delegated Acts, under the Renewable Energy Directive II, which are expected to be published later this year and will set out the methodology and criteria to determine whether the electricity used for the renewable gas or fuel production is from renewable origin and therefore contributes to the greenhouse gas emissions reduction targets.
5. The Gas Package will also enhance the security of supply. The security of supply regulation will be revised in order to enable a more effective use of gas storages and to anticipate and prevent risks at regional level. This includes measures that can be activated for emergency situations, eg in case of an EU supply crisis, including forms of joint procurement of gas stocks.

We will publish more detailed views on the Gas Package. *Stay tuned!*

1 Proposal for a Directive of the European Parliament and of the Council on common rules for the internal markets in renewable and natural gases and in hydrogen, 15 December 2021, COM(2021) 803 final.
2 Proposal for a Regulation of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen, 15 December 2021, COM(2021) 804 final.



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