

Hydrogen and decarbonised gas market package

During the April I plenary session, the European Parliament is expected to vote on two provisional agreements reached with the Council on the hydrogen and decarbonised gas markets package, which would recast the 2009 EU Gas Directive and the 2009 EU Gas Regulation. These agreements resulting from interinstitutional negotiations, endorsed by the Committee on Industry, Research and Energy (ITRE) in January 2024, substantially amend the texts originally proposed by the European Commission.

European Commission proposal

The Commission proposal for a recast [EU Gas Directive](#) establishes common rules on the transmission, distribution, supply and storage of gases using the natural gas system, and on the establishment of an interconnected hydrogen market in the EU. The proposal for a recast [EU Gas Regulation](#) focuses on setting harmonised principles for tariffs and capacity-allocation for dedicated hydrogen networks, and rules for access to the natural gas network for renewable and low-carbon gases.

European Parliament position

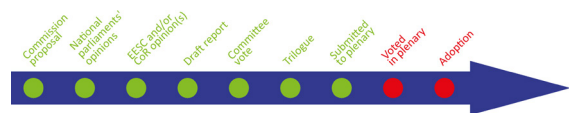
According to Parliament's [negotiating mandate](#) for the recast directive, the EU should phase out fossil gas as soon as possible, with the possibility for individual Member States to decide on an earlier end-date than 2049 for long-term contracts. Parliament's [negotiating mandate](#) for the recast regulation introduces a voluntary and permanent mechanism for Member States to coordinate their gas purchases; this proposal has been retained in the agreed text.

Provisional trilogue agreements

The [provisional agreement](#) of 28 November 2023 on the recast EU Gas Directive envisages separating gas and hydrogen supply and generation from the operation of transmission networks, thus retaining both horizontal and vertical unbundling regimes. To increase consumer protection, Member States will be obliged to take measures to prevent disconnections; new rules also provide for a supplier of last resort. The directive allows for targeted price regulation in the event of a regional or EU-wide natural gas price crisis. The agreement sets the transition phase for hydrogen market development to the end of 2032.

The [provisional agreement](#) of 8 December 2023 on the recast EU Gas Regulation includes the possibility for EU Member States to restrict access of gas from Russia and Belarus to the EU via pipelines and as liquefied natural gas, to protect Member States' essential security interests. As proposed by the Parliament, a voluntary mechanism to support market development for hydrogen will be introduced, whose objectives include demand and supply assessment, to be implemented under the European Hydrogen Bank. The agreed text also establishes a separate European Network of Network Operators for Hydrogen (ENNOH). National regulatory authorities retain the right to set their own network tariffs on the hydrogen market, but have to consult neighbours on tariff methodology. Blending of hydrogen with other gases was set at 2 %.

First-reading reports: (a) [2021/0425\(COD\)](#), (b) [2021/0424\(COD\)](#); Committee responsible: ITRE; Rapporteurs: (a) Jens Geier (S&D, Germany), (b) Jerzy Buzek (EPP, Poland). For further information see our 'EU Legislation in progress' briefings: [\(a\)](#) and [\(b\)](#).



[Outcome of the Conference on the Future of Europe](#): This proposal is relevant for measures 3(1), (3), (5); 18(2).

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