

Gas and hydrogen markets regulation

2021/0424(COD) - 15/07/2024 - Final act

PURPOSE: to set fair rules for access conditions to natural gas transmission networks, storage and LNG facilities and for measures with respect to the mechanism for demand aggregation and the joint purchasing of natural gas, and the mechanism to support the market development of hydrogen.

LEGISLATIVE ACT: Regulation (EU) 2024/1789 of the European Parliament and of the Council on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (recast).

CONTENT: the regulation is part of the hydrogen and gas markets decarbonisation package, which also includes a [directive](#). Both the regulation and the directive are part of the Fit for 55 package.

This regulation aims to **facilitate the penetration of renewable gas and low-carbon gas and hydrogen** into the energy system, enabling a shift away from fossil gas, and to allow renewable gas and low-carbon gas and hydrogen to play a key role in achieving the Union's 2030 climate objectives and climate-neutrality by 2050.

Facilitate the penetration of renewable gas and low-carbon gas and hydrogen into the energy system

The Commission will support and encourage the penetration of renewable gas and low-carbon gas, in particular hydrogen and biomethane, into the Union energy system, in particular in coal and carbon-intensive regions, with the aim of increasing the share of renewable gas in particular in industrial processes, district heating and energy storage and thereby accelerate the phase out of solid fossil fuels in industrial and district heating sectors. The Commission will also support the conversion of fossil fuels to renewable and low-carbon hydrogen and biomethane, as well as the creation of a hydrogen-ready workforce.

Network planning

The new rules call for integrated and transparent network planning across the EU, under the principle of 'energy efficiency first' and with a forward-looking approach. Gas and hydrogen network operators will prepare a **10-year EU network development plan**.

Mechanism for demand aggregation and the joint purchasing of natural gas

The Commission will should establish a mechanism for voluntary demand aggregation and the joint purchasing of natural gas. It is an important instrument to organise the diversification of natural gas supplies and phasing out of the dependency on Russian natural gas in many Member States. Gas undertakings established in Energy Community countries may participate in the mechanism as purchasers, while supplies from Russia or Belarus are excluded.

Mechanism to support the market development of hydrogen

The Commission may establish a mechanism to support the market development of hydrogen to be implemented under the activities of the European Hydrogen Bank. That voluntary mechanism may be in place until 31 December 2029.

The regulation provides for a separate new entity in the hydrogen sector: an EU entity for Hydrogen Network Operators (ENNOH). It will be independent of the existing European Network of Transmission System Operators for Gas (ENTSOG) and the European Network of Transmission System Operators for Electricity (ENTSOE), while taking advantage of synergies and cooperation between the three sectors.

Supply restrictions

The regulation will contain provisions allowing Member States to adopt restrictions to the supply of natural gas, including liquefied natural gas (LNG), from **Russia or Belarus**, with the aim of protecting the essential security interests of the Member States or of the EU, while taking account of security of supply and diversification objectives.

Solidarity

Default provisions are established to operationalise the solidarity principle in case of a crisis where bilateral agreements are not in place. The agreement also includes the establishment of a cross-border conciliation mechanism for an ex-post revision of compensation, the voluntary reduction of non-essential consumption by **protected customers**, and safeguards for cross-border flows. They may also create an obligation for a Member State to pay compensation to those affected by the measures it has taken.

In addition, the provisional agreement provides a **voluntary mechanism**, whereby on the basis of a request for solidarity by a Member State, another Member State not directly connected may also provide volumes of gas by applying market-based measures.

Network tariffs

For the hydrogen market, every national regulatory authority must consult the neighbouring national regulatory authorities on the draft tariff methodology and submit it to the Agency for the Cooperation of Energy Regulators (ACER). Each national regulatory authority will maintain the right to set its own tariff. Moreover, upon request by a national regulatory authority, ACER may propose solutions by means of a non-binding factual opinion. ACER will also inform the Commission of the outcome of such a request.

ENTRY INTO FORCE: 4.8.2024.

APPLICATION: from 5.2.2025.