

Basic information

2021/0425(COD)

COD - Ordinary legislative procedure (ex-codecision procedure)
Directive

Procedure completed

Gas and hydrogen markets directive (common rules)

Subject

3.50.08 New technologies; biotechnology
3.60.03 Gas, electricity, natural gas, biogas
3.60.05 Alternative and renewable energies

Legislative priorities

[Joint Declaration 2022](#)
[Joint Declaration 2023-24](#)

Key players

European
Parliament

Committee responsible

ITRE Industry, Research and Energy

Rapporteur

GEIER Jens (S&D)

Appointed

07/02/2022

Shadow rapporteur

[BUZEK Jerzy \(EPP\)](#)

[GAMON Claudia \(Renew\)](#)

[CORRAO Ignazio \(Greens /EFA\)](#)

[TOBISZOWSKI Grzegorz \(ECR\)](#)

[MARIANI Thierry \(ID\)](#)

[ERNST Cornelia \(The Left\)](#)

Committee for opinion

BUDG Budgets

Rapporteur for opinion

The committee decided not to give an opinion.

Appointed

ECON Economic and Monetary Affairs

The committee decided not to give an opinion.

ENVI Environment, Public Health and Food Safety

The committee decided not to give an opinion.

IMCO Internal Market and Consumer Protection
(Associated committee)

[GRAPINI Maria \(S&D\)](#)

17/02/2022

	AGRI Agriculture and Rural Development	LINS Norbert (EPP)	02/02/2022
	LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
	Committee for opinion on the recast technique	Rapporteur for opinion	Appointed
	JURI Legal Affairs	AUBRY Manon (The Left)	01/07/2021
Council of the European Union			
European Commission	Commission DG	Commissioner	
	Energy	SIMSON Kadri	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
Date	Event	Reference	Summary
15/12/2021	Legislative proposal published	COM(2021)0803 	Summary
17/02/2022	Committee referral announced in Parliament, 1st reading		
07/07/2022	Referral to associated committees announced in Parliament		
09/02/2023	Vote in committee, 1st reading		
09/02/2023	Committee decision to open interinstitutional negotiations with report adopted in committee		
17/02/2023	Committee report tabled for plenary, 1st reading	A9-0035/2023	Summary
13/03/2023	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
15/03/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
23/01/2024	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE757.967 GEDA/A/(2024)000009	
11/04/2024	Decision by Parliament, 1st reading	T9-0283/2024	Summary
11/04/2024	Results of vote in Parliament		
11/04/2024	Debate in Parliament		
21/05/2024	Act adopted by Council after Parliament's 1st reading		

13/06/2024	Final act signed		
15/07/2024	Final act published in Official Journal		

Technical information	
Procedure reference	2021/0425(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Recast
Legislative instrument	Directive
Legal basis	Rules of Procedure EP 113 Rules of Procedure EP 57_o Treaty on the Functioning of the European Union TFEU 194-p2
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/9/08023

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Specific opinion	AGRI	PE719.662	03/06/2022	
Committee draft report		PE732.908	21/06/2022	
Amendments tabled in committee		PE735.428	15/07/2022	
Amendments tabled in committee		PE735.429	15/07/2022	
Amendments tabled in committee		PE735.430	15/07/2022	
Amendments tabled in committee		PE735.492	15/07/2022	
Committee opinion	IMCO	PE732.596	08/11/2022	
Committee draft report		PE740.526	13/01/2023	
Specific opinion	JURI	PE742.395	02/02/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0035/2023	17/02/2023	Summary
Text agreed during interinstitutional negotiations		PE757.967	20/12/2023	
Text adopted by Parliament, 1st reading/single reading		T9-0283/2024	11/04/2024	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Coreper letter confirming interinstitutional agreement	GEDA/A/(2024)000009	20/12/2023		
Draft final act	00104/2023/LEX	13/06/2024		

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0803 	15/12/2021	Summary
Document attached to the procedure	SWD(2021)0455	15/12/2021	
Document attached to the procedure	SWD(2021)0456 	15/12/2021	
Document attached to the procedure	SWD(2021)0457 	15/12/2021	
Document attached to the procedure	SWD(2021)0458 	15/12/2021	
Commission response to text adopted in plenary	SP(2024)377	29/07/2024	

National parliaments

Document type	Parliament/Chamber	Reference	Date	Summary
Reasoned opinion	CZ_SENATE	PE731.658	29/04/2022	
Reasoned opinion	CZ_CHAMBER	PE731.668	29/04/2022	
Contribution	IE_HOUSES-OF-OIREACHTAS	COM(2021)0803	08/08/2022	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES6401/2021	18/05/2022	
CofR	Committee of the Regions: opinion	CDR1522/2022	12/10/2022	

Additional information

Source	Document	Date
EP Research Service	Briefing	11/03/2022
European Commission	EUR-Lex	

Final act

Directive 2024/1788 OJ OJ L 15.07.2024	Summary
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Delegated acts

Reference	Subject
2025/2809(DEA)	Examination of delegated act

Gas and hydrogen markets directive (common rules)

2021/0425(COD) - 15/12/2021 - Legislative proposal

PURPOSE: to lay down common rules for the internal markets in renewable and natural gases and in hydrogen.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the European Green Deal puts the EU on a path to climate neutrality by 2050, which requires significantly higher shares of renewable energy sources in an integrated energy system. Currently, natural gas represents 95% of the gaseous fuels consumed in the EU and accounts for 25% of the EU's total energy consumption. While the share of natural gas will decrease progressively, biomethane, synthetic methane and hydrogen are expected to become more relevant. However, these alternatives to natural gas face a number of regulatory barriers and are not covered by current energy security arrangements.

The present initiative, as well as the [proposed recast regulation](#) on the internal markets for renewable and natural gases and for hydrogen, aim to revise existing EU legislation and create a new framework for an internal hydrogen market to achieve a cost efficient clean hydrogen economy. In particular, it seeks to facilitate the penetration of renewable and low-carbon gases into the energy system, enabling a shift from natural gas and to allow for these new gases to play their needed role towards the goal of EU climate neutrality in 2050.

CONTENT: the proposed directive establishes common rules for the transmission, distribution, supply and storage of gases using the natural gas system. It lays down the rules relating to the organisation and functioning of that sector, access to the market, the criteria and procedures applicable to the granting of authorisations for transmission, distribution, supply and storage of gases using the natural gas system and the operation of systems. Moreover, it establishes rules for the progressive establishment of a Union-wide interconnected hydrogen system.

Customer engagement

For new gases to play a full role in the energy transition, the retail market rules should empower customers to make renewable and low carbon choices. Moreover, to be able to make sustainable energy choices, customers need sufficient information on their energy consumption and origin, as well as efficient tools to participate in the market. With this in mind, the proposal lays down the rights for the consumer such as basic contractual rights, switching rights and fees, and rules on comparison tools, active customers, and citizen energy communities. It also contains provisions on billing, smart and conventional metering, and data management.

It also contains provisions on single points of contact, right to out-of-court dispute settlement, vulnerable customers, and retail markets.

Hydrogen infrastructure and hydrogen markets

The current regulatory framework for gaseous energy carriers does not address the deployment of hydrogen as an independent energy carrier via dedicated hydrogen networks. The creation of a regulatory framework at EU-level for dedicated hydrogen networks and markets would foster the integration and interconnection of national hydrogen markets and networks. Barriers also exist for the development of a cost-effective, cross-border hydrogen infrastructure and competitive hydrogen market, a prerequisite for the uptake of hydrogen production and consumption. The present proposal seeks to address all of these deficiencies.

Renewable and low-carbon gases in the existing gas infrastructure and markets

The new rules intend to facilitate the access of renewable and low-carbon gases to the existing gas grid, by removing tariffs for cross-border interconnections and lowering tariffs at injection points. They also create a **certification system** for low-carbon gases. This will ensure a level playing field in assessing the full greenhouse gas emissions footprint of different gases and allow Member States to effectively compare and consider them in their energy mix.

Network planning

The proposal foresees that the national network development plans should be based on a **joint scenario** for electricity, gas and hydrogen. It should be aligned with National Energy and Climate Plans, as well as EU-wide ten-year network development plan. Gas network operators have to include information on infrastructure that can be decommissioned or repurposed, and there will be separate hydrogen network development reporting to ensure that the construction of the hydrogen system is based on a realistic demand projection.

Unbundling of distribution system operators

The proposed directive sets out measures concerning the designation of distribution system operators, their tasks, the decision-making powers regarding the connection of the new production facilities for renewable and low-carbon gases to the distribution system, the unbundling of distribution system operators, the confidentiality obligations of distribution system operators, provisions on closed distribution systems, and combined operator.

Security of supply and storage

To contribute to a timely response to energy crises at EU level, this proposal includes specific measures to improve cooperation and resilience, notably to ensure a more effective and coordinated use storage and operational solidarity arrangements. The measures are targeted to reinforce the resilience of the EU energy system against future shocks in a timely manner.

The measures proposed require Member States to explicitly make **storages part of their security of supply risks assessments at regional level**. The proposal also enables voluntary **joint procurement** by Member States to have strategic stocks, in line with the EU competition rules.

Lastly, measures are also introduced to improve the transparency and access to storages, address cybersecurity risks of gas and facilitate bilateral solidarity arrangements between Member States in case of crisis.

Gas and hydrogen markets directive (common rules)

2021/0425(COD) - 17/02/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Jens GEIER (S&D, DE) on the 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 (recast).

As a reminder, in line with the REpowerEU targets, by the end of 2030, Member States should ensure collectively at least 35 billion cubic meters of sustainable biomethane. This would be produced and injected into the natural gas system, annually, with the aim of replacing 20% of Russian natural gas imports with a sustainable, cheaper and locally produced alternative.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter and scope

This Directive establishes a common framework for the decarbonisation of the gas market. To that end, it promotes the energy efficiency first principle, the integration of renewable gas and further energy system integration, contributes to the prudent and rational use of natural resources and to the achievement of the Union's climate and energy targets, and provides for fair attributions of costs and benefits as well as for a clear identification of responsibilities among market participants.

It also establishes:

- common rules for the transmission, distribution, supply and storage of gas using the natural gas and hydrogen system, and consumer protection provisions, with a view to creating a truly integrated, competitive, consumer-centred, flexible, fair, transparent and non-discriminatory gas market in the Union;
- rules for the transport, supply and storage of natural gas and the transition, including decommissioning and repurposing, of the natural gas system towards an integrated highly efficient system based on renewable gas and low-carbon gas where no more energy or cost-efficient alternatives are available;
- common rules for the transport, supply and storage of hydrogen using the hydrogen system;
- establishes rules for the progressive establishment of a Union-wide interconnected hydrogen system contributing to the long-term flexibility of the electricity system and to the reduction of net greenhouse gas emissions of difficult to decarbonise sectors where no more energy or cost-efficient alternatives are available with the highest greenhouse gas abatement potential per tonne of hydrogen used and thereby supporting to the decarbonisation of the Union energy system.

Decarbonising the gas market

The integration of biomethane in the natural gas system delivers on the EU's 2030 and 2050 climate targets. Therefore, grid connection requests of renewable gas production should be assessed in reasonable time limits and permitting procedures should not be hampered by the lack of administrative capacities. In addition, connection requests for renewable gases may be prioritised over connection requests for natural and low carbon gases.

Prioritising the use of hydrogen for industrial customers

According to the report, hydrogen should be prioritised in sectors that are hard to decarbonise in order to support the European industry's transformation and save greenhouse gas emissions.

Integrated hydrogen networks

Members stressed that hydrogen corridors as identified in the REPowerEU Plan should be supported by the corresponding dedicated hydrogen infrastructure, including hydrogen networks, hydrogen storage and hydrogen import terminals in order to meet the REPowerEU Plan targets for hydrogen production and imports by 2030.

ENTSO

Members proposed to reform the European Network of Transmission System Operators for Gas (ENTSO) to also cover Hydrogen Network Operators. The new ENTSOG&H would therefore also be responsible for the **EU ten-year network development plan for gas and hydrogen networks**.

Fair tariffs and trading

The report noted that unlike in the electricity sector, natural gas consumer should be protected from rising tariffs when natural gas assets have to be depreciated, from cross subsidisation between gas and hydrogen users and rising gas tariffs with a shrinking customer base. The role of gaseous fuels for heating or cooling in buildings will decline in the future due to renewable alternatives, in particular electrification, district heating or thermal renewable energy.

The committee proposed that Member States should ensure that **liquid trading for gas** is subject to transparency obligations, in particular with regard to commercial contracts, and adequate price building mechanisms.

Member States should also ensure that household customers and, where Member States consider it to be appropriate, small enterprises, enjoy the right to be supplied with gas of a specified quality at clearly comparable, transparent and competitive prices.

Fuel switching

The report stressed that switching from gas to other renewable technologies is usually not as easy due to the lock-in effect related to the underpinning infrastructure. Mandatory fuel switches should be accompanied by measures that remove adverse effects on final customers, in particular vulnerable customers and people affected by or at risk of energy poverty, as well as measures that mitigate and resolve inequalities resulting from the energy transition.

Phasing out fossil gas

Member States should ensure the phase-out of fossil gas as soon as possible, taking into account the availability of alternatives. Member States may decide on an earlier end-date for the duration of long-term contracts for unabated fossil gas before the end of 2049.

Local heating and cooling plans

Member States should ensure that their regional and local authorities prepare local heating and cooling plans at least in municipalities having a total population of at least 35 000.

Consumer protection and empowerment

The report includes the concept of **vulnerable consumers and energy poverty** as well as a broader definition of energy security that reflects current challenges and requirements of energy system integration. Furthermore, **smart meters systems** in the natural gas system should only be deployed after a positive cost-benefit assessment. The provisions of smart meters systems in the hydrogen systems should only apply to industrial customers.

Gas and hydrogen markets directive (common rules)

2021/0425(COD) - 11/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 425 votes to 64, with 100 abstentions, a legislative resolution on the 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 (recast).

The position adopted by the European Parliament at first reading under the ordinary legislative procedure amends the proposal as follows:

Subject matter

The proposed directive establishes a **common framework for the decarbonisation of the markets for natural gas and hydrogen**. It 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 an important role in achieving the Union's 2030 climate objectives and climate-neutrality by 2050.

The directive also establishes common rules for the transmission, distribution, supply and storage of natural gas through the natural gas system, as well as **consumer protection** provisions, with a view to creating an integrated, competitive and transparent market for natural gas in the Union.

Competitive, customer-centred, flexible and non-discriminatory markets for natural gas and hydrogen

Members stressed that Member States should ensure a **customer-centred and energy efficient approach** in the market for hydrogen. The use of hydrogen should be targeted for customers in hard-to-decarbonise sectors with a high greenhouse gas abatement potential where no more energy and cost-efficient options are available.

Market-based supply prices

Suppliers should be free to determine the price at which they supply natural gas and hydrogen to customers. Member States should take appropriate actions to ensure effective competition between suppliers and to ensure reasonable prices for the final customers.

Prior to the removal of public interventions in the price setting for the supply of natural gas, Member States should ensure adequate support measures for **customers affected by energy poverty and vulnerable household customers**.

Access to affordable energy during a natural gas price crisis

The Council may, acting on a proposal from the Commission, by means of an implementing decision, declare a regional or Union-wide **natural gas price crisis**, if the following conditions are met: (a) the existence of very high average prices in wholesale natural gas markets of at least two-and-a-half times the average price during the previous five years, and at least 180 EUR/MWh, which is expected to continue for at least six months; (b) sharp increases in natural gas retail prices in the range of 70 % occur which are expected to continue for at least three months.

The declaration of a regional or Union-wide natural gas price crisis should ensure a fair competition and trade across all Member States affected by the implementing decision so that the internal market is not unduly distorted.

Where the Council has adopted an implementing decision, Member States may, for the duration of the validity of that decision, apply temporary targeted **public interventions in price setting** for the supply of natural gas to small and medium-sized enterprises (SMEs), household customers and essential social services.

Consumer empowerment and protection and retail markets

Final customers should have the right to purchase natural gas and hydrogen from the supplier of their choice, subject to the supplier's agreement, irrespective of the Member State in which the supplier is registered, provided that the supplier complies with the applicable rules on transactions, balancing and security of supply. They should also have the right to change supplier.

Where the **disconnection of network users is allowed**, Member States should ensure that: (a) the network users concerned and other relevant stakeholders, in particular consumer bodies, have been consulted; (b) network users, final customers and relevant stakeholders are informed sufficiently in advance of the planned date, the procedure for disconnection, the steps planned and the relevant timeline; (c) final customers receive information on and have access to sufficient advice on **sustainable heating options**; (d) specific needs of vulnerable customers and customers affected by energy poverty are duly taken into account.

Smart metering systems

Member States deploying intelligent metering systems in the natural gas system should ensure the provision of **clear and understandable information and advice to customers** on the benefits of smart metering, following consultation with consumer organisations. Member States deploying intelligent metering systems in the hydrogen system should ensure that final customers contribute to the costs of deployment in a transparent and non-discriminatory manner.

Protection from disconnection

Member State should take measures to **prevent the disconnection of vulnerable customers** and customers affected by energy poverty. Member States should establish a supplier of last resort regime or take equivalent measures to ensure continuity of supply at least for household customers.

Transparency

In order to ensure transparency with regard to the costs and financing of regulated activities, activities of hydrogen transmission network operation should be separated from other network operation activities for other energy carriers at least in relation to the legal form and accounts of network operators. For the purpose of legal unbundling of hydrogen transmission network operators, the creation of a subsidiary or a separate legal entity within the group structure of the natural gas transmission or distribution system operator should be considered to be sufficient, without the need for a functional unbundling of governance or separation of management or staff.

Network decommissioning plans for distribution system operators

Distribution system operators develop network decommissioning plans where a reduction in natural gas demand requiring the decommissioning of natural gas distribution networks or parts of such networks is expected. Distribution network development plans and natural gas decommissioning plans should promote energy efficiency and energy system integration, taking into account local heating and cooling plans.

Member States should provide an enabling regulatory framework for **biomethane** production facilities in relation to connection fees and costs resulting from their connection to the transmission or distribution networks.

Gas and hydrogen markets directive (common rules)

2021/0425(COD) - 15/07/2024 - Final act

PURPOSE: to create fully operational internal markets for natural gas and hydrogen.

LEGISLATIVE ACT: Directive (EU) 2024/1788 of the European Parliament and of the Council on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (recast).

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

The directive seeks to **facilitate the penetration of renewable and low-carbon gases into the energy system**, enabling a shift from natural gas, with a view to reaching the EU's goal of climate neutrality in 2050.

More specifically, the directive establishes:

- a common framework for the decarbonisation of the markets for natural gas and hydrogen, in order to contribute to the achievement of the Union's climate and energy targets;
- common rules for the transmission, distribution, supply and storage of natural gas using the natural gas system, and consumer protection provisions, with a view to creating an integrated, competitive and transparent market for natural gas in the Union;
- common rules for the transport, supply and storage of natural gas and the transition of the natural gas system towards an integrated and highly efficient system based on renewable gas and low-carbon gas;
- common rules for the transport, supply and storage of hydrogen using the hydrogen system.

Market-based supply prices

Suppliers will be free to determine the price at which they supply natural gas and hydrogen to customers. Member States will take appropriate actions to ensure effective competition between suppliers and to ensure reasonable prices for the final customers.

Prior to the removal of public interventions in the price setting for the supply of natural gas, Member States will ensure adequate support measures for customers affected by energy poverty and vulnerable household customers.

Access to affordable energy during a natural gas price crisis

The Council may, acting on a proposal from the Commission, by means of an implementing decision, declare a regional or Union-wide natural gas price crisis, if the following conditions are met: (a) the existence of very high average prices in wholesale natural gas markets of at least two-and-a-half times the average price during the previous five years, and at least 180 EUR/MWh, which is expected to continue for at least six months; (b) sharp increases in natural gas retail prices in the range of 70 % occur which are expected to continue for at least three months.

The declaration of a regional or Union-wide natural gas price crisis should ensure a fair competition and trade across all Member States affected by the implementing decision so that the internal market is not unduly distorted.

Where the Council has adopted an implementing decision, Member States may, for the duration of the validity of that decision, apply temporary targeted public interventions in price setting for the supply of natural gas to small and medium-sized enterprises (SMEs), household customers and essential social services.

Protection of customers and vulnerable groups

Member States will have to ensure that all final customers have the right to purchase natural gas and hydrogen from the supplier of their choice, subject to the supplier's agreement, irrespective of the Member State in which the supplier is registered. They must ensure that the right to switch supplier or market participant is granted to customers in a non-discriminatory manner in terms of cost, effort and time.

The directive provides arrangements on how **disconnections** could take place, in order to protect customers from the future decommissioning of the gas network or its repurposing to hydrogen. Appropriate organisations need to be consulted, the customer needs to be informed in advance, and the specific needs of vulnerable customers will be taken into account.

Where final natural gas customers do not have smart meters, Member States will ensure that final customers are provided with individual conventional meters that accurately measure their actual consumption.

Protecting customers from energy poverty

Vulnerable customers and customers affected by energy poverty will be better protected thanks to the new rules adopted today, which include a focus on remote areas. Measures by member states include **protection from disconnections** and appointing **suppliers of last resort** to ensure continuity of supply.

Network development plans

The directive introduces a split between Transmission System Operators (TSOs) and Distribution System Operators (DSOs) for hydrogen. In addition, the directive provides for **increased coordination** between network development plans for hydrogen, electricity and natural gas. Network development plans will be built on sector integration, the 'energy efficiency first' principle and prioritising the use of hydrogen in hard-to-decarbonise sectors.

Integrated network planning

At least every two years, all transmission system operators and hydrogen transmission network operators will submit to the relevant regulatory authority a **ten-year network development plan** based on existing and forecast supply and demand after having consulted the relevant stakeholders.

Hydrogen distribution network operators will submit to the regulatory authority every four years a plan presenting the hydrogen network infrastructure they aim to develop.

Member States will ensure that distribution system operators develop network **decommissioning plans** where a reduction in natural gas demand requiring the decommissioning of natural gas distribution networks or parts of such networks is expected.

ENTRY INTO FORCE: 4.8.2024.

TRANSPOSITION: no later than 5.8.2026.