

Lucerne, 12<sup>th</sup> October 2021

## GIE Annual Conference | Day 1 | Hydrogen regulation – whereto?

Here we are at the first day of the GIE Annual Conference. Fit for 55 Package is big on the agenda. The upcoming Hydrogen and Decarbonised Gas Package is a crucial brick for the future energy system, that must give people the safe, predictable, and affordable lifestyles they want to lead. Growing demand for renewable and low-carbon gases means we'll need to transport, store, import and export large volumes of gases in various forms. And Europe's gas infrastructure is up for this challenge. But for this, we need the right conditions for an EU-wide infrastructure to scale up renewable and low-carbon gases, including hydrogen.

In today's debate on the future regulation of the hydrogen infrastructure, we heard that:

- Delivering climate neutrality by 2050 and achieving the targets of the EU Hydrogen Strategy requires a well-developed infrastructure for hydrogen. GIE members are ready to live up to this expectation;
- The most efficient way to regulate hydrogen infrastructure is to build on the basic principles of the existing regulation for natural gas, while leaving Member States the flexibility to reflect on national and regional hydrogen characteristics;
- Different hydrogen developments across the EU require tailored solutions to enable hydrogen market ramp-up in every country;
- There will be huge cost and time savings by repurposing existing infrastructure to integrate hydrogen. This will lead to social benefits and increase social acceptance for energy transition;
- We need hydrogen storage to balance and ensure the resilience of a future energy system that relies significantly on renewable energy sources;
- A framework to guarantee cost-recovery for investments into hydrogen infrastructure is needed for long-term planning security of infrastructure operators;
- There is a strong need for coordinated system planning between gas, electricity, and hydrogen infrastructures, including storages and LNG terminals.

Tudor Constantinescu, Principal Advisor at DG ENER, said that *“Hydrogen, in particular from renewables, is a key enabler for achieving the Green Deal objectives. While upscaling supply and demand, modernising and further developing the energy infrastructure will be essential to develop a more integrated, cost-effective and decarbonised energy system. Establishing an adequate policy and regulatory framework in this respect is very much at the core of the Fit for 55 Package.”*

Dennis Hesselting, Head of Infrastructure, Gas and Retail Department at ACER, highlighted that *“Hydrogen transportation infrastructure needs to be regulated in a gradual way, taking into account the development of the hydrogen sector over time and minimising the degree of cross-subsidies. To ensure a proper and competitive market structure, key successful elements from the existing natural gas legislation, such as unbundling and non-discriminatory third-party access, need to be ensured in EU legislation.”*

Ralph Bahke, GIE's sponsor of New Gases Area mentioned that *"Hydrogen will be a key energy carrier in our future decarbonized energy system. To exploit its full potential, a dedicated infrastructure for hydrogen is needed to guarantee secure transport, storage and import. The legislative framework must unleash the possibilities of gas infrastructure for the integration of hydrogen by enabling gas infrastructure operators to make the necessary investments."*

Dr. Axel Wietfeld, President of Gas Storage Europe said that *"underground hydrogen storage will be a key component of a carbon-neutral economy. All across Europe, large and small storage system operators are developing innovative hydrogen solutions to enhance the European Union's security of energy supplies."*

Helmie Botter, Manager Business Development Hydrogen at Gasunie, highlighted that *"to enable hydrogen to play its essential role in the energy mix of the future, we need the whole value chain to be developed. From transport infrastructure, to supply and demand, and to storage. Especially supply stimulation policies deserve attention, together with a general financial and regulatory framework that supports hydrogen development."*

Jan Ingwersen, General Director at ENTSOG said: *"ENTSOG believes in the importance of defining key regulatory principles from the outset. These will be crucial in facilitating the efficient and economical development of hydrogen infrastructure."*

## Who is GIE



Gas Infrastructure Europe (GIE) is the association representing the interests of European gas infrastructure operators. GIE members are active in transmission, storage and regasification via LNG terminals of renewable and low-carbon gases, including natural gas and hydrogen. Gathering around 70 industry entities from 27 European countries, GIE perfectly embodies the multiple transitional decarbonisation pathways of the EU regions. The association's vision is that by 2050, the gas infrastructure will be the backbone of the new innovative energy system, allowing European citizens and industries to benefit from a secure, efficient and sustainable energy supply.

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