



Commission proposes new EU framework to decarbonise gas markets, promote hydrogen and reduce methane emissions

Brussels, 15 December 2021

Today, the Commission has adopted a set of legislative proposals to decarbonise the EU gas market by facilitating the uptake of renewable and low carbon gases, including hydrogen, and to ensure energy security for all citizens in Europe. The Commission is also following up on the EU Methane Strategy and its international commitments with proposals to reduce methane emissions in the energy sector in Europe and in our global supply chain. The European Union needs to decarbonise the energy it consumes to reduce greenhouse gas emissions by at least 55% by 2030 and become climate-neutral by 2050, and these proposals will help to deliver that goal.

Executive Vice-President for the European Green Deal, Frans **Timmermans**, said: *"Europe needs to turn the page on fossil fuels and move to cleaner energy sources. This includes replacing fossil gas with renewable and low carbon gases, like hydrogen. Today, we are proposing the rules to enable this transition and build the necessary markets, networks and infrastructure. To address methane emissions, we are also proposing a solid legal framework to better track and reduce this powerful greenhouse gas, helping us to fulfil the Global Methane Pledge and tackle the climate crisis."*

Commissioner for Energy, Kadri **Simson** said: *"With today's proposals, we are creating the conditions for the green transition in our gas sector, boosting the use of clean gases. A key element of this transition is establishing a competitive hydrogen market with dedicated infrastructure. We want Europe to lead the way and be the first in the world to lay down the market rules for this important source of energy and storage. We are also proposing strict rules on methane emissions from gas, oil and coal, to reduce emissions in these sectors by 80% by 2030 and to trigger action on methane outside the EU. Our proposals also strengthen the security of gas supply and enhance solidarity between Member States, to counteract price shocks and make our energy system more resilient. As requested by Member States, we improve the EU's gas storage coordination and create the option for voluntary joint purchase of gas reserves."*

The Commission's proposals ([regulation](#) and [directive](#)) create the conditions for a **shift from fossil natural gas to renewable and low-carbon gases, in particular biomethane and hydrogen**, and strengthen the resilience of the gas system. One of the main aims is to **establish a market for hydrogen**, create the right environment for investment, and enable the development of dedicated infrastructure, including for trade with third countries. The market rules will be applied in two phases, before and after 2030, and notably cover access to hydrogen infrastructures, separation of hydrogen production and transport activities, and tariff setting. A new governance structure in the form of the European Network of Network Operators for Hydrogen (ENNOH) will be created to promote a dedicated hydrogen infrastructure, cross-border coordination and interconnector network construction, and elaborate on specific technical rules.

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.

The new rules will **make it easier for renewable and low-carbon gases to access 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, to complete the work started in the [Renewable Energy Directive](#) with the certification of renewable 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. In order to avoid locking Europe in with fossil natural gas and to make more space for clean gases in the European gas market, the Commission proposes that **long-term contracts for unabated fossil natural gas should not be extended beyond 2049**.

Another priority of the package is **consumer empowerment and protection**. Mirroring the provisions already applicable in the electricity market, consumers may switch suppliers more easily, use effective price comparison tools, get accurate, fair and transparent billing information, and have better access to data and new smart technology. **Consumers should be able to choose renewable and low carbon gases over fossil fuels.**

High energy prices in recent months have drawn attention to the importance of energy security, especially in times when global markets are volatile. The Commission has proposed today to **improve the resilience of the gas system and strengthen the existing security of supply provisions**, as promised in the [Communication and Toolbox on Energy Prices](#) of 13 October, and as requested by Member States. In case of shortages, no household in Europe will be left alone, with enhanced automatic solidarity across borders through new pre-defined arrangements and clarifications on controls and compensations within the internal energy market. The proposal extends current rules to renewables and low carbon gases and introduces new provisions to cover emerging cybersecurity risks. Finally, it will **foster a more strategic approach to gas storage**, integrating storage considerations into risk assessment at regional level. The proposal also **enables voluntary joint procurement by Member States to have strategic stocks**, in line with the EU competition rules.

Tackling Methane Emissions

In parallel, in a [first-ever EU legislative proposal on methane emissions reduction in the energy sector](#), the Commission will require the oil, gas and coal sectors to measure, report and verify methane emissions, and proposes strict rules to **detect and repair methane leaks** and to **limit venting and flaring**. It also puts forward global monitoring tools ensuring transparency of methane emissions from imports of oil, gas and coal into the EU, which will allow the Commission to consider further actions in the future.

The proposal would establish a new EU legal framework to **ensure the highest standard of measurement, reporting, and verification (MRV) of methane emissions**. The new rules would require companies to measure and quantify their asset-level methane emissions at source and carry out comprehensive surveys to **detect and repair methane leaks** in their operations. In addition, the proposal **bans venting and flaring** practices, which release methane into the atmosphere, except in narrowly defined circumstances. Member States should also establish mitigation plans, taking into consideration methane mitigation and measurement of abandoned mine methane and inactive wells.

Finally, with respect to the methane emissions of the EU's energy imports, the Commission proposes a two-step approach. First, importers of fossil fuels will be required to submit information about how their suppliers perform measurement, reporting and verification of their emissions and how they mitigate those emissions. The Commission will establish two **transparency tools that will show the performance and reduction efforts of countries and energy companies across the globe** in curbing their methane emissions: a transparency database, where the data reported by importers and EU operators will be made available to the public; and a global monitoring tool to show methane emitting hot-spots inside and outside the EU, harnessing our world leadership in environmental monitoring via satellites.

As a second step, to effectively tackle emissions of imported fossil fuels along the supply chain to Europe, the Commission **will** engage in a diplomatic dialogue with our international partners **and review the methane regulation** by 2025 with a view to introducing more stringent measures on fossil fuels imports once all data is available.

Background

Today's proposals, together with the [legislative package](#) presented on 14 July 2021 and the [revision of the Energy Performance of Buildings Directive](#) unveiled today, represent an important step in Europe's decarbonisation path and will help to deliver the target of reducing greenhouse gas emissions by at least 55% by 2030, and becoming climate neutral by 2050.

The legislative proposals adopted today follow from the strategic vision set out in the [EU energy system integration strategy](#), [EU Hydrogen Strategy](#) and the [EU Methane Strategy](#) in 2020. The EU is leading international action to tackle methane emissions. At the COP26 UN Climate Conference, we launched the [Global Methane Pledge](#) in partnership with the United States, whereby over 100 countries committed to reduce their methane emissions by 30% by 2030 compared to 2020 levels.

For More Information

[Q&A on the gas markets and hydrogen package](#)

[Q&A on methane emissions](#)

[Factsheet on the gas markets and hydrogen package](#)

[Factsheet on methane emissions](#)

[Proposal of the revised gas markets and hydrogen directive](#)

[Annex to the revised gas markets and hydrogen directive](#)

[Proposal of the revised gas markets and hydrogen regulation](#)

[Annex to the revised gas markets and hydrogen regulation](#)

[Proposal of the methane emissions regulation](#)

[Hydrogen and decarbonised gas market package webpage](#)

[Methane emissions webpage](#)

[EU Methane Strategy](#)

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Press contacts:

[Tim McPHIE](#) (+ 32 2 295 86 02)

[Ana CRESPO PARRONDO](#) (+32 2 298 13 25)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)

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