



SENATE
OF THE PARLIAMENT OF THE CZECH REPUBLIC
13TH TERM

452nd

RESOLUTION OF THE SENATE

Delivered on the 24th session held on 7th of April 2022

to Gas package:

Proposal for a Regulation of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen (recast) /Senate Print no. N 147/13, COM(2021) 804/

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 /Senate Print no. N 148/13, COM(2021) 803/

The Senate

I.

1. Supports

the creation of a functioning European market in hydrogen and perceives positively that the submitted Proposals are based on existing principles that work effectively in the natural gas market and that can be modified to develop a market for renewable and low-carbon gases, including hydrogen;

2. Is of the opinion

that existing infrastructure should be used/adapted as much as possible in the development of the hydrogen network especially due to cost-effectiveness;

3. Emphasises

particularly sufficient filling of pipelines under adequate pressure which is a key prerequisite for the proper functioning of the gas infrastructure;

4. Considers it essential

to continue to diversify the EU's energy supplies, especially natural gas, to reduce energy dependence and to strengthen energy security and, in particular, energy self-sufficiency;

5. Agrees

with the position of the Government and shares the reservations set out therein;

6. Does not consider it appropriate,

in accordance with the position of the Government, to set separate and largely distinct sets of rules for the natural gas and hydrogen networks, which may hinder the natural interconnection of these two systems;

7. Is not convinced,

in accordance with the Government, that the provisions concerning the unbundling of hydrogen network operators will help to develop the hydrogen market effectively, as it basically precludes any cooperation between transmission and distribution system operators of natural gas and hydrogen network operators;

8. Is therefore concerned

that the proposed unbundling measures will not stimulate investment in the development of hydrogen infrastructure, reduce the availability of imported hydrogen to the Czech Republic and will thus negatively affect the competitiveness of Czech industry and the development of the Europe-wide hydrogen network;

9. Requests

that the Proposal for a Regulation introduces the system of payment for access to networks at cross-border interconnection points (cross-border tariffs) which is applied in case of natural gas as it is tested and predictable; non-application of these tariffs would necessitate the introduction of cross-border compensation mechanisms between hydrogen network operators, which would further reduce the pace of the development of hydrogen infrastructure;

10. Requests also,

in accordance with the opinion of the Government, to set a longer transition period for the full regulation of the hydrogen market as the 2030 deadline is considered to be too ambitious and, due to insufficient development of the hydrogen market, timely inconvenient;

11. Has come to the conclusion

that the submitted Proposal for a Regulation of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen (recast) and 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 do not comply with the principle of subsidiarity according to Article 5(3) of the Treaty on European Union for the following reasons:

- the European Commission has not submitted impact assessments in relation to individual Member States, thus preventing National Parliaments from fully assessing all the implications of the Proposals, including for compliance with the principle of subsidiarity;
- as a result of the above-mentioned, the Commission has not proven that the proposed solutions in articles 62, 63 and 64 of the Proposal for a Directive and in article 6 of the Proposal for a Regulation are realistically achievable with reasonable costs for individual Member States, and thus has failed to demonstrate the real added value of the chosen approach at the EU level;

Courtesy translation

- national competences in the area of introducing cross-border transport tariffs for future hydrogen infrastructure are transferred to the EU level, thereby limiting the Member State's right to set cost-reflective charges for the use of this infrastructure in accordance with the economic interests of the final consumers of the Member State concerned;

12. Adopts

therefore a **Reasoned Opinion** on the incompatibility of the Proposal for a Regulation of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen (recast) and of 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 with the principle of subsidiarity in accordance with Article 6 of the Protocol on the Application of the Principles of Subsidiarity and Proportionality attached to the Treaties;

II.

1. Requests the Government

to provide the Senate by 31st July 2022 with information about the way this Resolution was taken into account, and about the further development of negotiations;

2. Authorises

the President of the Senate to forward this Reasoned Opinion to the Presidents of the European Commission, the European Parliament and the Council.

Miloš Vystrčil
sign manual
President of the Senate

Zdeněk Hraba
sign manual
Senate Verifier