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GEODE welcomes the Hydrogen & Decarbonised Gas Market Package

GEODE, the voice of local energy distributors (DSOs) across Europe, welcomes the European Commission's adoption of the proposals for a *Regulation and Directive on common rules for the internal markets in renewable and natural gases and in hydrogen, and a proposal for a Regulation on methane emissions reduction in the energy sector.*

GEODE welcomes the European Commission's aim to enable the development of dedicated hydrogen infrastructure and market, allowing hydrogen to become a key component of the energy sector. In this respect, *"we underline the importance of building on existing infrastructure where more cost-efficient"*, says GEODE's Chairman **Hans Kreisel**. ***"Supporting gas DSOs to develop and operate a hydrogen network based on existing infrastructure will also leverage existing skills and expertise as well as the physical assets of the grid"***, Kreisel adds.

GEODE's members believe in the need for a well-established market and infrastructure for renewable, decarbonised and low-carbon gases which includes hydrogen and can grant access to gaseous fuels for all end users who wish to decarbonise their uses. We trust that existing principles of the gas market design (the role of DSOs and TSOs, third-party access, neutrality of network operation) that have proved successful over the years will also facilitate the integration of new gases.

While **GEODE** welcomes the European Commission's proposal to build on existing unbundling rules as the blueprint for defining DSOs' role and evolving responsibilities, we stress that small local network operators in particular are usually vertically integrated companies for which

decarbonization should not be made difficult by strict unbundling rules. We call on the Council and European Parliament to **allow joint financing of hydrogen and natural gas networks** in order to give small and medium-sized local network operators opportunities to participate in the new decentralised energy system and achieve fast decarbonisation of the gas grid.

We also welcome the Commission's first-ever legislative proposal on **methane emissions reductions in the energy sector**, in particular that investments undertaken by DSOs in leak detection and repair should be recognized by NRAs when fixing or approving distribution tariffs or their methodologies.

GEODE is looking forward to continuing the policy debate with the co-legislators and stakeholders, providing our members' expertise on the operation of the gas distribution grid with the aim of further accelerating the scale-up of renewable, low-carbon and decarbonised gases.

GEODE is the voice of local energy distributors across Europe, representing the interests of 1400 private and public energy companies for both electricity and gas from 15 European countries, serving more than 100 million customers.

