

Hydrogen and Decarbonised Gas Markets Regulation

Alternative Compromise - Renew Europe & Greens/EFA on CA9 and CA10

Justifications

- Strong governance is essential for the EU to meet its climate obligations and build integrated and efficient energy systems.
- We really **welcome the Commission proposal for the creation of ENNOH**, dedicated to the hydrogen network; it is important to avoid giving ENTSO-G the role for hydrogen planning while this structure is an expert of fossil gas. A dedicated expert structure for hydrogen is necessary.
- CA9: This proposal is based on the original Commission proposal and only aim to improve the achievement of the EU's climate and energy objectives :
 - These amendments are intended to ensure that decisions regarding energy system planning are independent, transparent, without vested interests and science-based.
 - They also aim to improve the ability of the public and key stakeholders to participate in decision-making.
- CA10: This proposal is revert to the original Commission proposal, with only 3 AMs agreed during negotiations.

ALTERNATIVE CA 9: ENTSG and ENNOH and network development plan (covers Art 21, 22, 23, 24, 26, 27, 28, 29, 40, 41, 42, 43, 44, 45, 46, 47; Rec 16, 17, 47, 48, 49, 50, 53)

All relevant AMs fall, including: AMs 6-10, 38-72, 78-85, 144-149, 172-176, 377-460, 525-581, 669

- (16) In order to ensure optimal management of the gas transmission network in the Union, a European Network of Transmission System Operators for Gas (the ENTSO for Gas), should be provided for. The tasks of the ENTSO for Gas should be carried out in compliance with the Union's competition rules which are applicable to the decisions of the ENTSO for Gas. The tasks of the ENTSO for Gas should be well-defined and its working method should ensure efficiency, transparency and the representative nature of the ENTSO for Gas. The network codes prepared by the ENTSO for Gas are not intended to replace the necessary national network codes for non cross-border issues. Given that more effective progress may be achieved through an approach at regional level, transmission system operators should set up regional structures within the overall cooperation structure, whilst ensuring that results at regional level are compatible with network codes and non-binding ten-year network development plans at Union level. Cooperation within such regional structures presupposes effective unbundling of network activities from production and supply activities. In the absence of such unbundling, regional cooperation between transmission system operators gives rise to a risk of anti-competitive conduct. Member States should promote cooperation and monitor the effectiveness of the network operations at regional level. Cooperation at regional level should be compatible with progress towards a competitive and efficient internal market in gases.
- (17) In order to ensure greater transparency regarding the development of the gas transmission network in the Union, the ENTSO for Gas should draw up, publish and regularly update a non-binding Union-wide ten-year network development plan on the basis of a joint scenario and the interlinked model Union-wide network development plan). Viable gas transmission networks and necessary regional interconnections, relevant from a commercial or security of supply point of view, should be included in that network development plan.
- (17a) *In order to improve energy system integration, the Commission should set up a permanent and independent platform involving ACER, the European Scientific Advisory Board on*

Climate Change (ESABCC) and all relevant market participants, including at least the ENTSO for Gas, the ENTSO for Electricity, ENNOH once it is established, and the EU DSO entity, and other relevant stakeholders. From 2024, this platform will accompany the Union-wide network development plans for gas, electricity and hydrogen networks to achieve energy system integration. It shall also draft long-term scenarios in line with the Union net-zero greenhouse gas emissions target for the planning horizon up until 2050.

- (47) In order to ensure optimal management of the Union hydrogen network and to allow trading and supplying hydrogen across borders in the Union, a European Network of Network Operators for Hydrogen ('ENNOH') should be established. The tasks of the ENNOH should be carried out in compliance with Union competition rules. The tasks of the ENNOH should be well-defined and its working method should ensure efficiency, transparency and the representative nature of the ENNOH. The network codes prepared by ENNOH should not replace the necessary national network codes for non cross-border issues.
- (48) Until the ENNOH is established, a temporary platform should be set up under the lead of the Commission with the involvement of ACER and all relevant market participants, including the ENTSO for Gas, the ENTSO for Electricity and the EU DSO entity. This platform should support early work on scoping and developing issues relevant for the building up of the hydrogen network and markets without formal decision-making powers. The platform should be dissolved once ENNOH is established. Until the ENNOH is established, the ENTSO for Gas will be responsible for the development of Union-wide network development plans, including hydrogen networks.
- (49) In order to ensure transparency regarding the development of the hydrogen network in the Union, the ENNOH should establish, publish and regularly update a non-binding Union-wide ten-year network development plan for hydrogen targeted at the needs of the developing hydrogen markets. Viable hydrogen transportation networks and necessary interconnections, relevant from a commercial point of view, should be included in that network development plan. The ENNOH should participate in the development of the energy system wide cost-benefit analysis – including the interlinked energy market and network model including electricity, gas and hydrogen transport infrastructure as well as storage, LNG and electrolyzers, the scenarios for the ten-year network development plans and the infrastructure gaps identification report as set out in Articles 11, 12 and 13 of [the TEN-E Regulation as proposed in COM(2020) 824 final] for the development of the lists of projects of common interest. For that purpose, the ENNOH should closely cooperate with the ENTSO for Electricity and the ENTSO for Gas to facilitate system integration. The ENNOH should undertake those tasks for the first time for the development of the 8th list of projects of common interest, provided it is operational and in the position to deliver the necessary input to the ten-year network development plan by 2026.
- (50) All market participants have an interest in the work expected of the ENNOH. An effective consultation process is therefore essential. Overall, ENNOH should seek, build on and integrate in its work experience with infrastructure planning, development and operation in cooperation with other relevant market participants and their associations.
- (53) The ENNOH will establish a central, web-based platform for making available all data relevant for market participants to gain effective access to the network.

Article 21

European network of transmission system operators for gas

All transmission system operators shall cooperate at Union level through the European Network of Transmission System Operators for Gas (the ENTSO for Gas), in order to promote the completion and functioning of the internal market in natural gas and cross-border trade and to ensure the optimal

management, coordinated operation and sound technical evolution of the natural gas transmission network.

Article 22

Organisation of the ENTSO for Gas

1. The ENTSO shall ***publish and*** submit to the Commission and to ACER the draft statutes, a list of members and draft rules of procedure, including the rules of procedures on the consultation of other stakeholders, of the ENTSO for Gas in case of changes of those documents or upon a reasoned request of the Commission or ACER. ***The draft updated rules of procedure shall ensure balanced representation of all participating transmission system operators, including those solely owning or operating natural gas systems, as well as transparency in the functioning of the ENTSO for Gas, including publication of meeting agendas and full meeting minutes of external and internal meetings.***
2. Within four months of the day of the receipt, ACER, after formally consulting the organisations representing all stakeholders, in particular the system users including customers, shall provide an opinion to the Commission on the draft statutes, list of members and draft rules of procedure.
3. The Commission shall deliver an opinion on the draft statutes, list of members and draft rules of procedures taking into account the opinion of ACER referred to in paragraph 2 and within three months of the day of the receipt of the opinion of ACER.
4. Within three months of the day of receipt of the Commission's opinion ENTSO for Gas shall adopt and publish the revised statutes and rules of procedure of the ENTSO for Gas.

Article 23

Tasks of the ENTSO for Gas

1. The ENTSO for Gas shall elaborate network codes in the areas referred to in paragraph 6 of this Article upon a request addressed to it by the Commission in accordance with Article 53(9).
2. The ENTSO for Gas may elaborate network codes in the areas set out in paragraph 6 with a view to achieving the objectives set out in Article 21 where those network codes do not relate to areas covered by a request addressed to it by the Commission. Those network codes shall be submitted to ACER for an opinion. That opinion shall be duly taken into account by the ENTSO for Gas.
3. The ENTSO for Gas shall adopt:
 - (a) common network operation tools to ensure coordination of network operation in normal and emergency conditions, including a common incidents classification scale, and research plans;
 - (b) a non-binding Union -wide ten-year network development plan (Union -wide network development plan), including a European supply adequacy outlook, every two years;
 - (c) recommendations relating to the coordination of technical cooperation between Union and third-country transmission system operators;
 - (d) an annual work programme;
 - (e) an annual report;
 - (f) annual summer and winter supply outlooks; ~~and~~
 - (g) a gas quality monitoring report by 15 May 2024 at the latest and every two years afterwards, including developments of gas quality parameters, developments of the

level and volume of hydrogen blended into the natural gas system, forecasts for the expected development of gas quality parameters and of the volume of hydrogen blended into the natural gas system, the impact of blending hydrogen on cross-border flows as well as information on cases related to differences in gas quality specifications or in specifications of blending levels and how such cases were settled.

- (h) The gas quality monitoring report shall also cover the development for the areas listed in point (g) where as far as relevant for the distribution network, based on information provided by the entity of distribution system operators in the Union ('EU DSO entity').
- (ha) cooperate closely with the ESABCC to ensure that the ten-year network development plan is compatible with the Union's climate targets.**
4. The European supply adequacy outlook referred to in paragraph 3, point (b), shall cover the overall adequacy of the gas system to supply current and projected demands for gas for the next five-year period as well as for the period between five and 10 years from the date of that outlook. The European supply adequacy outlook shall build on national supply outlooks prepared by each individual transmission system operator.
- The Union-wide network development plan referred to in paragraph 3, point (b), shall include the modelling of the integrated network, including hydrogen networks, scenario development, a European supply adequacy outlook and an assessment of the resilience of the system. **The plan shall promote the energy efficiency first principle and energy system integration, contribute to the prudent and rational utilisation of natural resources and to achieving the Union's climate and energy targets.**
5. The annual work programme referred to in paragraph 3, point (d), shall contain a list and description of the network codes to be prepared, a plan on coordination of operation of the network, and research and development activities, to be realised in that year, and an indicative calendar.
6. The network codes referred to in paragraphs 1 and 2 shall cover the following areas, taking into account, if appropriate, regional special characteristics:
- (a) network security and reliability rules;
 - (b) network connection rules;
 - (c) third-party access rules;
 - (d) data exchange and settlement rules;
 - (e) interoperability rules;
 - (f) operational procedures in an emergency;
 - (g) capacity-allocation and congestion-management rules;
 - (h) rules for trading related to technical and operational provision of network access services and system balancing;
 - (i) transparency rules;
 - (j) balancing rules including network-related rules on nominations procedure, rules for imbalance charges and rules for operational balancing between transmission system operators' systems;
 - (k) rules regarding harmonised transmission tariff structures;
 - (l) energy efficiency regarding gas networks;
 - (m) cyber security regarding gas networks;-
- (m a) energy efficiency taking into account sector integration and priority of electrification.**

7. The network codes shall be developed for cross-border network issues and market integration issues and shall be without prejudice to the Member States' right to establish national network codes which do not affect cross-border trade.
8. The ENTSO for Gas shall monitor and analyse the implementation of the network codes and the guidelines adopted by the Commission in accordance with Article 53(13) or 56 , and their effect on the harmonisation of applicable rules aimed at facilitating market integration. The ENTSO for Gas shall report its findings to the Agency and shall include the results of the analysis in the annual report referred to in paragraph 3, point (e), of this Article.
9. The ENTSO for Gas shall make available all information required by ACER to fulfil its tasks under Article 24(1).
10. ACER shall review national ten-year network development plans to assess their consistency with the Union -wide network development plan. If ACER identifies inconsistencies between a national ten-year network development plan and the Union -wide network development plan, it shall recommend amending the national ten-year network development plan or the Union -wide network development plan as appropriate. If such national ten-year network development plan is elaborated in accordance with Article 51 of [recast Directive as proposed in COM(2021) xxx] , ACER shall recommend that the competent regulatory authority amend the national ten-year network development plan in accordance with Article 51(5) of that Directive and inform the Commission thereof. ***The Union-wide network development plan and the national ten-year network development plan shall be amended in accordance with ACER's recommendations.***
11. Upon request of the Commission, the ENTSO for Gas shall give its views to the Commission on the adoption of the guidelines as laid down in Article 56.

Article 24

Monitoring by ACER

1. ACER shall monitor the execution of the tasks referred to in Article 23(1), (2) and (3) of the ENTSO for Gas and report to the Commission.

ACER shall monitor the implementation by the ENTSO for Gas of network codes elaborated under Article 23(2) and network codes which have been developed in accordance with Article 53(1) to (12) but which have not been adopted by the Commission under Article 53(13). Where the ENTSO for Gas has failed to implement such network codes, ACER shall request the ENTSO for Gas to provide a duly reasoned explanation as to why it has failed to do so. ACER shall inform the Commission of that explanation and provide its opinion thereon.

ACER shall monitor and analyse the implementation of the network codes and the guidelines adopted by the Commission as laid down in Articles 52, 53, 55 and 56 , and their effect on the harmonisation of applicable rules aimed at facilitating market integration as well as on non-discrimination, effective competition and the efficient functioning of the market, and report to the Commission.
2. The ENTSO for Gas shall submit the draft Union -wide network development plan, the draft annual work programme, including the information regarding the consultation process and the other documents referred to in Article 23 (3), to ACER for its opinion.

Within two months from the day of receipt, ACER shall provide a duly reasoned opinion as well as recommendations to the ENTSO for Gas and to the Commission where it considers that the draft annual work programme or the draft Union -wide network development plan submitted by the ENTSO for Gas do not contribute to non-discrimination, effective competition, the efficient functioning of the market or a sufficient level of cross-border interconnection open to third-party access.

*Article 26***Consultations**

1. While preparing the network codes, the draft Union -wide network development plan and the annual work programme referred to in Article 23(1), (2) and (3), the ENTSO for Gas shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant market participants, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 22(1). That consultation shall also involve regulatory authorities and other national authorities, supply and production undertakings, network users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.
2. All documents and minutes of meetings related to the consultations referred to in paragraph 1 shall be made public.
3. Before adopting the annual work programme and the network codes referred to in Article 23 (1), (2) and (3), the ENTSO for Gas shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.

*Article 27***Costs**

The costs related to the activities of the ENTSO for Gas referred to in Articles 21 to 23 , 52 and 53 of this Regulation, and in Article 11 of Regulation (EU) No 347/2013 of the European Parliament and of the Council¹ shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.

*Article 28***Regional cooperation of transmission system operators**

1. Transmission system operators shall establish regional cooperation within the ENTSO for Gas to contribute to the tasks referred to in Article 23 (1), (2) and (3).
2. Transmission system operators shall promote operational arrangements in order to ensure the optimum management of the network and shall promote the development of energy exchanges, the coordinated allocation of cross-border capacity through non-discriminatory market-based solutions, paying due attention to the specific merits of implicit auctions for short-term allocations and the integration of balancing mechanisms.
3. For the purposes of achieving the goals set in paragraphs 1 and 2, the Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the definition of the geographical area covered by each regional cooperation structure may be defined by the Commission, taking into account existing regional cooperation structures. Each Member State shall be allowed to promote cooperation in more than one geographical area.

For that purpose, the Commission shall consult ACER and the ENTSO for Gas.

*Article 29***Ten-years network development plan**

The ENTSO for Gas shall publish **and submit to ACER and ESABCC a draft Union-wide** network development plan referred to in Article 23 paragraph 3, point (b). **ACER and ESABCC shall assess compliance of the draft Union-wide network development plan with the guidelines referred to in Regulation (EU) 2022/869, Article 12, within three months of its submission. The Commission, taking into account the assessment by ACER and ESABCC shall adopt the plan within three months or task the ENTSO for Gas to amend it.**

The Union wide network development plan shall, in particular:

- (a) build on national investment plans and Chapter IV of Regulation (EU) 347/2013
- (b) regarding cross-border interconnections, also build on the reasonable needs of different network users and integrate long-term commitments from investors referred to in Articles 56 and 52 of [recast Gas Directive as proposed in COM(2021)xxx] ; and
- (c) identify investment gaps, notably with respect to cross-border capacities.
- (ca) projects included in the development plan should be subject to a cost-benefit analysis that is consistent and compatible, in terms of benefits and costs, with the methodologies developed under Article 11 of the revised TEN-E Regulation. They should promote and implement the energy efficiency first principle, and contribute to achieving the Union's climate and energy targets**

In regard to the second subparagraph, point (c), a review of barriers to the increase of cross-border capacity of the network arising from different approval procedures or practices may be annexed to the Union -wide network development plan.

Article 40

European Network of Network Operators for Hydrogen

1. Hydrogen network operators shall cooperate at Union level through the European Network of Network Operators for Hydrogen (ENNOH), in order to promote the development and functioning of the internal market in hydrogen and cross-border trade and to ensure the optimal management, coordinated operation and sound technical evolution of the European hydrogen network.
2. In performing its functions under Union law, the ENNOH shall act with a view to establishing a well-functioning and integrated internal market for hydrogen and shall contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy, in particular by contributing to the efficient integration of hydrogen produced from renewable energy sources and to increases in energy efficiency while maintaining system security. The ENNOH shall be equipped with adequate human and financial resources to carry out its duties.
3. By 1 September 2024, the hydrogen network operators shall submit to the Commission and to ACER the draft statutes, a list of members and draft rules of procedure, including the rules of procedures on the consultation of stakeholders, of the ENNOH to be established. **The draft statutes of the hydrogen network operators shall ensure balanced representation of all hydrogen network operators, including those solely owning or operating hydrogen networks.**
4. The hydrogen network operators shall submit to the Commission and to ACER any draft amendments to the statutes, list of members or rules of procedure of the ENNOH.
5. Within four months of receipt of the drafts and the draft amendments to the statutes, list of members or rules of procedure, ACER, after consulting the organisations representing all stakeholders, in particular the system users, including customers, shall provide an opinion to

- the Commission on these drafts or draft amendments to the statutes, list of members or rules of procedure.
6. The Commission shall deliver an opinion on the drafts and draft amendments to the statutes, list of members or rules of procedure taking into account ACER's opinion as provided for in paragraph 5 and within three months of receipt of ACER's opinion.
 7. Within three months of receipt of the Commission's favourable opinion, the hydrogen network operators shall adopt and publish the statutes, list of members and rules of procedure.
 - 7 a. ***The ENNOH shall publish, on a public platform, its internal rules, an updated list of member organisations, regularly updated information on the progress of work, meeting agendas, meeting participant lists as well as meeting minutes.***
 8. The documents referred to in paragraph 3 shall be submitted to the Commission and ACER where there are changes thereto or upon the reasoned request of either of them. The Commission and ACER shall deliver an opinion in accordance with paragraphs 5, 6 and 7.

Article 41

Transition to the ENNOH

1. The Commission ***shall*** set up a ***permanent*** platform involving ACER, the ***ESABCC*** and all relevant market participants, including ***at least*** the ENTSO for Gas, the ENTSO for Electricity, ***the ENNOH***, the EU DSO entity ***and other relevant stakeholders***. ***The Commission shall ensure its administrative support. Until the ENNOH is established, this platform will promote work on scoping and developing issues relevant for the building up of the hydrogen network and markets.***
2. Until the ENNOH is established, ***the independent platform shall*** be responsible for the development of Union-wide network development plans for hydrogen networks. ***After the ENNOH is established, it will become a member of this platform. The platform shall accompany the development of an integrated energy (electricity, gas and hydrogen) network plan in line with the Union net-zero climate target, in an advisory capacity thereafter.***

Article 42

Tasks of the ENNOH

1. The ENNOH shall:
 - (a) develop network codes in the areas set out in Article 54 with a view to achieving the objectives set out in Article 40;
 - (b) adopt and publish biannually a non-binding Union-wide ten-year network development plan, including a European supply adequacy outlook;
 - (c) cooperate with the ENTSO for Electricity and with the ENTSO for Gas;
 - (d) develop recommendations relating to the coordination of technical cooperation between gas transmission and distribution system operators on one hand, and hydrogen network operators on the other hand in the Union;
 - (e) develop recommendations relating to the coordination of technical cooperation between Union and third-party network operators;
 - (f) adopt an annual work programme;
 - (g) adopt an annual report;

- (h) adopt an annual outlook for the supply of hydrogen covering Member States where hydrogen is used in electricity generation or for supplying households;
 - (i) adopt a hydrogen quality monitoring report by 15 May 2026 at the latest and every two years afterwards, including developments and forecasts for the expected developments of hydrogen quality parameters, as well as information on cases related to differences in hydrogen quality specifications and how such cases were settled;
 - (j) promote cyber security and data protection in cooperation with relevant authorities and regulated entities;
 - (j a) cooperate closely with the ESABCC to ensure that the network development plan for hydrogen is compatible with the Union's climate targets and supplies hydrogen to the hard-to-abate sectors and applications.**
2. The ENNOH shall monitor and analyse the implementation of the network codes and the guidelines adopted by the Commission in accordance with Article 54, 55 and 56, and their effect on the harmonisation of applicable rules aimed at facilitating market development and integration. The European Network of Network Operators for Hydrogen shall report its findings to ACER and shall include the results of the analysis in the annual report referred to in paragraph 1, point f) of this Article.
 3. The ENNOH shall publish the minutes of its assembly meetings, board meetings and committee meetings and provide the public with regular information on its decision-making and activities.
 4. The annual work programme referred to in paragraph 1, point (f) shall contain a list and description of the network codes to be prepared, a plan on the coordination of the operation of the network, a list of research and development activities, to be realised in that year, and an indicative calendar.
 5. The ENNOH shall provide ACER with the information ACER requires to fulfil its tasks pursuant to Article 46. In order to enable the ENNOH to meet that requirement, hydrogen network operators shall provide the ENNOH with the requested information.
 6. Upon request of the Commission, the ENNOH shall give its views to the Commission on the adoption of the guidelines as laid down in Article 56.

Article 43

Ten-year network development plan for hydrogen

1. The Union-wide ten-year network development plan referred to in Article 42 shall include the modelling of the integrated network, scenario development and an assessment of the resilience of the system.

The Union-wide ten-year network development plan shall in particular:

- (a) build on the national hydrogen network development reporting as set out in Article 52 of recast Gas Directive where available and Chapter IV of Regulation (EU) xxx [TEN-E Regulation];
- (b) regarding cross-border interconnections, also build on the reasonable needs of different network users and integrate long-term commitments from investors referred to in Articles 55 and Chapter IX Section 3 of recast Gas Directive;
- (c) identify investment gaps, notably with respect to cross-border capacities, **as well as investments with regard to the decommissioning of natural gas infrastructure or for repurposing natural gas infrastructures for the transport of hydrogen and investments for demand-side solutions not requiring new infrastructure investments;**

(ca) be part of an integrated energy (electricity, gas and hydrogen) network plan in line with the Union net-zero climate target.

With regard to the second subparagraph, point (c), a review of barriers to the increase of cross-border capacity of the network arising from different approval procedures or practices may be annexed to the Union-wide network development plan.

2. ACER shall provide an opinion on the national hydrogen network development reports where relevant to assess their consistency with the Union-wide network development plan. If ACER identifies inconsistencies between a national hydrogen network development report and the Union-wide network development plan, it shall recommend amending the national hydrogen network development report or the Union-wide network development plan as appropriate.
- 2 a. ***The ESABCC shall provide an opinion on the national hydrogen network development reports to assess their consistency with the Union's energy and climate targets.***
3. When developing the Union-wide ten-year network development plan as referred to in Article 42, the ENNOH shall cooperate with the ENTSO for Electricity and with the ENTSO for Gas, in particular on the development of the energy system wide cost-benefit analysis and the interlinked energy market and network model including electricity, gas and hydrogen transport infrastructure as well as storage, LNG and hydrogen terminals and electrolysers referred to in Article 11 [TEN-E revision], the scenarios for the Ten-Year Network Development Plans referred to in Article 12 [TEN-E revision] and the infrastructure gaps identification referred to in Article 13 [TEN-E revision].

Article 44

Costs

The costs related to the activities of the ENNOH for Hydrogen referred to in Articles 42 of this Regulation shall be borne by the hydrogen network operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.

Article 45

Consultation

1. While preparing the proposals pursuant to the tasks referred to in Article 42, the ENNOH shall conduct an extensive consultation process at an early stage and in an open and transparent manner, involving all relevant market participants, and in particular the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 40 of this Regulation. The consultation process shall accommodate stakeholder comments before the final adoption of the proposal, aiming at identifying the views and proposals of all relevant parties during the decision-making process. The consultation shall also involve regulatory authorities and other national authorities, producers, network users including customers, technical bodies and stakeholder platforms.
2. All documents and minutes of meetings related to the consultation shall be made public.
3. Before adopting the proposals referred to in Article 42 the ENNOH shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.

Article 46

Monitoring by ACER

1. ACER shall monitor the execution of the tasks of the ENNOH referred to in Article 42 and report its findings to the Commission.

2. ACER shall monitor the implementation by the ENNOH of network codes and guidelines adopted by the Commission as laid down in Articles 54, 55, and 56. Where the ENNOH has failed to implement such network codes or guidelines, ACER shall request the ENNOH to provide a duly reasoned explanation as to why it has failed to do so. ACER shall inform the Commission of that explanation and provide its opinion thereon.
3. The ENNOH shall submit the draft Union-wide network development plan, the draft annual work programme, including the information regarding the consultation process, and the other documents referred to in Article 42 to ACER for its opinion.

Where it considers that the draft annual work programme or the draft Union-wide network development plan submitted by the ENNOH does not contribute to non-discrimination, effective competition, the efficient functioning of the market or a sufficient level of cross-border interconnection, ACER shall provide a duly reasoned opinion as well as recommendations to the ENNOH and to the Commission within two months of the submission of the programme or the plan.

Article 47

Regional cooperation of hydrogen network operators

1. Hydrogen network operators shall establish regional cooperation within the ENNOH to contribute to the tasks referred to in Article 42.
2. Hydrogen network operators shall promote operational arrangements in order to ensure the optimum management of the network and shall ensure interoperability of the interconnected Union hydrogen system for facilitating commercial and operational cooperation between adjacent hydrogen network operators.

ALTERNATIVE CA 10: Network codes (covers Art 52, 53, 54, 56; Rec 57)

All relevant AMs fall, including: AMs 11, 86-95, 582-607

Articles

Article 52 – paragraph 1 1. The Commission may, subject to the empowerments in Articles 53 to 56, adopt implementing or delegated acts. Such acts may either be adopted as network codes on the basis of text proposals developed by the -ENTSO for Gas or the ENNOH, or, where so provided for in the priority list pursuant to Article 53(3), by the EU DSO entity, where relevant in cooperation with the ENTSO for Gas, the ENNOH and ACER, pursuant to the procedure laid down in Articles 53 to 55, or as guidelines pursuant to the procedure laid down in Article 56.

Article 52 – paragraph 2 – point d (d) apply to all interconnection points within the Union and entry points from and exit points to third countries.

Article 53 – paragraph 1 point (b) (b) interoperability rules for the natural gas system, implementing **Article 19 of this Regulation and** Articles 9 and 35 and 40 of [recast Gas Directive as proposed in COM(2021) xxx] including addressing interconnection agreements, rules on flow control and measurement principles for gas quantity and quality, allocation and matching rules, common sets of units, data exchange, gas quality, including rules on managing cross-border restrictions due to gas quality differences or due to differences in odourisation practices or due to differences in the volume of hydrogen blended in the natural gas system, cost-benefit analyses for removing cross-border flow restrictions, **and on a common binding natural gas quality specification for cross-border natural gas interconnectors**, Wobbe Index classification, mitigating measures, minimum

acceptance levels for gas quality parameters relevant for ensuring the unhindered cross-border flow of biomethane (e.g. oxygen content), short- and long-term gas quality monitoring, information provision and cooperation among relevant market participants, reporting on gas quality, transparency, communication procedures including in case of exceptional events;

Article 53 – paragraph 2 – point f a (new) (fa) third-party access rules;

Article 53 – paragraph 2 – point f b (new) (fb) transparency rules.

Article 53 – paragraph 3 3. The Commission shall, after consulting ACER, the ENTSO for Gas, the ENNOH, the EU DSO entity and the other relevant stakeholders, establish every three years a priority list, identifying the areas set out in paragraphs 1 and 2 to be included in the development of network codes. If the subject matter of the network code is directly related to the operation of the distribution system and not primarily relevant to the transmission system, the Commission may require the EU DSO entity, in cooperation with the ENTSO for Gas, to convene a drafting committee and submit a proposal for a network code to ACER.

Article 53 – paragraph 5 5. ACER shall consult the ENTSO for Gas, the ENNOH, the EU DSO entity, and the other relevant stakeholders in regard to the framework guidelines, during a period of no less than two months, in an open and transparent manner.

Article 53 – paragraph 9 9. The Commission shall request the ENTSO for Gas or, where provided for in the priority list referred to in paragraph 3, the EU DSO entity in cooperation with the ENTSO for Gas, to submit to ACER, within a reasonable period, not exceeding 12 months, of receipt of the Commission's request, a proposal for a network code in accordance with the relevant framework guideline.

Article 53 – paragraph 10 (10) The ENTSO for Gas, or where provided for in the priority list referred to in paragraph 3 the EU DSO entity, in cooperation with the ENTSO for Gas, shall convene a drafting committee to support it in the network code development process. The drafting committee shall consist of representatives of ACER, the ENTSO for Gas, the ENNOH, where appropriate the EU DSO entity, and a limited number of the main affected stakeholders. The ENTSO for Gas or where provided for in the priority list pursuant to paragraph 3 the EU DSO entity, in cooperation with the ENTSO for Gas, shall develop proposals for network codes in the areas referred to in paragraphs 1 and 2 where so requested by the Commission in accordance with paragraph 9.

Article 53 – paragraph 11 11. ACER shall revise the proposed network code to ensure that it complies with the relevant framework guidelines and contributes to market integration, non-discrimination, effective competition, and the efficient functioning of the market, and shall submit the revised network code to the Commission within six months of receipt of the proposal. In the proposal submitted to the Commission, ACER shall take into account the views provided by all involved parties during the drafting of the proposal led by the ENTSO for Gas or the EU DSO entity and shall consult the relevant stakeholders on the version of the network code to be submitted to the Commission.

Article 54 – paragraph 3 3. The Commission shall, after consulting ACER, the ENNOH, the ENTSO for Gas, the EU DSO entity and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraphs 1 and 2 to be included in the development of network codes.

Article 54 – paragraph 9 9. The Commission shall request the ENNOH to submit, within a reasonable period not exceeding 12 months of the receipt of the Commission's request, a proposal for a network code in accordance with the relevant framework guideline to ACER.

Article 54 – paragraph 10 10. The ENNOH shall convene a drafting committee to support it in the network code development process. The drafting committee shall consist of representatives of ACER, the ENTSO for Gas, the ENTSO for Electricity and where appropriate the EU DSO entity, and a limited number of the main affected stakeholders. The ENNOH shall develop proposals for network codes in the areas referred to in paragraphs 1 and 2.

Article 54 – paragraph 11 11. ACER shall revise the proposed network code to ensure that it complies with the relevant framework guidelines and contributes to market integration, non-discrimination, effective competition, and the efficient functioning of the market and, shall submit the revised network code to the Commission within six months of receipt of the proposal. In the revised network code, ACER shall take into account the views provided by all involved parties during the drafting of the proposal led by the European Network of Hydrogen Network Operators and shall consult the relevant stakeholders on the revised version to be submitted to the Commission.

Article 54 – paragraph 12 12. Where the ENNOH has failed to develop a network code within the period set by the Commission under paragraph 9, the Commission may request ACER to prepare a draft network code on the basis of the relevant framework guideline. ACER may launch a further consultation in the course of preparing a draft network code under this paragraph. ACER shall submit a draft network code prepared under this paragraph to the Commission and may recommend that it be adopted.

Article 54 – paragraph 13 13. Where the European Network of Hydrogen Network Operators has failed to develop a network code, or ACER has failed to develop a draft network code as referred to in paragraph 12, the Commission may adopt, on its own initiative, or upon the proposal of ACER under paragraph 11, one or more network codes in the areas listed in paragraphs 1 and 2.

Article 54 – paragraph 14 14. Where the Commission proposes to adopt a network code on its own initiative, it shall consult ACER, the ENNOH, the ENTSO for Gas and all relevant stakeholders in regard to the draft network code during a period of no less than two months.

Article 54 – paragraph 15 15. This Article shall be without prejudice to the Commission's right to adopt and amend the guidelines as laid down in Article 56. It shall be without prejudice to the possibility for the ENNOH to develop non-binding guidance in the areas set out in paragraphs 1 and 2 where such guidance does not relate to areas covered by a request addressed to the ENNOH by the Commission. The ENNOH shall submit any such guidance to ACER for an opinion and shall duly take that opinion into account.

Article 56 – paragraph 5 5. When adopting or amending guidelines, the Commission shall consult ACER, the ENTSO for Gas, the ENNOH, the EU DSO entity and, where relevant, other stakeholders.

Recitals

(57) The network codes prepared by the ENNOH are not intended to replace the necessary national rules for non-cross-border issues.