Hydrogen and decarbonised gas market package

Eurogas Recommendations

September 2021

Eurogas represents the interests of the European gas industry. We represent the entire gas value chain, from the gas wholesale market through distribution to retail. We also represent companies supplying end-user equipment and technology solutions. Our membership is composed of over 63 companies and associations in 24 countries.

Eurogas is in the EU Transparency Register: 17909506129-41
Eurogas calls for a progressive gas decarbonisation package, which enables gaseous energy and its infrastructure to be the building block for a cost-effective and successful energy transition.

Eurogas supports the EU's 2050 climate neutrality objective and the target of reducing GHG emissions by at least 55% by 2030. Provided that incentives are put in place, EU gas demand can be fully decarbonised already before 2050. A decarbonisation pathway relying solely on electrification based on variable renewable power generation cannot deliver a successful transition. A balanced approach is necessary to ensure an environmentally sustainable and socially acceptable just energy transition that guarantees security of energy supply. This needs to be achieved in a timeframe that is compatible with the Paris Agreement.

Gaseous energy is a core pillar of the energy transition.

The European Commission Climate Target Plan Impact Assessment and the Eurogas pathway study by DNV confirm that gaseous energy will be an essential pillar. Both assessments agree that gaseous energy will make up between 20%-30% of EU energy consumption in 2050. The gas sector also needs to transform. Gas consumption will have to decarbonise through growing shares of renewable, decarbonised, and low-carbon gases and use of carbon capture storage and utilisation.

Quick wins can be achieved through coal & oil to gas switching.

The level of the EU's climate and energy ambitions and the speed with which they must be met means that they cannot realistically nor cost-effectively be met solely through renewable forms of energy. The gas decarbonisation package must consider the role of natural gas as an enabler of the transition. Switching from coal and oil to gas in space heating, transport (in particular through LNG and CNG) and industry can deliver significant emissions reductions from CO₂ and other pollutants.

Key recommendations to ensure that gaseous energy and its infrastructure deliver a cost-effective and successful transition.

The level of the EU's climate and energy ambitions also means that the gas sector cannot continue business as usual. The gas decarbonisation package must also enable the transformation and decarbonisation of the gas sector before 2050. It can only succeed if it builds on the success of the natural gas market. The experience gained in the past thirty years of regulating the natural gas market, should guide the regulatory and policy choices for the coming thirty years.

1. **Create a consistent EU policy framework that incentivises gas decarbonisation.** An unprecedented amount of capital is necessary in a relatively short period of time to make the energy transition a success. Investors need a predictable and stable framework that incentivises the decarbonisation of the gas system.
   a) Set binding 2030 EU-level targets to lower the GHG intensity of gas consumed by at least 20% and increase the share of renewable gas to at least 11%.
   b) Create a sound certification system to establish a tradeable market of renewable and low carbon gases. It should be used to comply with other EU policies, such as the EU ETS and the RED forming a single EU climate currency.
   c) Introduce carbon pricing in the transport and building sectors to provide the necessary investment signals to consumers. In the short-term, this should be done through energy taxation complemented by regulatory and support measures. In the long-term, through their inclusion into the EU ETS.
   d) Address methane emissions by improving data availability and ensure a more harmonized implementation of Leak Detection and Repair (LDAR) and Monitoring, Reporting and Verification (MRV) across the energy sector.
2. **Build a competitive and liquid internal EU market for all gases.** The regulatory framework should cover all gases, including hydrogen, and build on the existing gas market rules. It must provide clear direction from the beginning. Time limited exemptions from rules could be granted according to predefined criteria for renewable and low-carbon gases. This would avoid overregulating a nascent market.

   a) Define a clear regulatory toolbox for all gases from the start but implement it following a stepwise approach depending on market realities.
   
   b) Hydrogen networks should be regulated by default. Exemptions can be considered provided certain conditions are met.
   
   c) Existing vertical unbundling rules should be maintained and applied to all gases, including hydrogen.
   
   d) Regulated network operators may – subject to strict conditions – have a temporary role in the development of new markets, activities, and technologies such as power-to-gas. They should never own the electrons or molecules.

3. **Ensure the stability and interoperability of the internal EU gas market.** Blending hydrogen and admixtures of biomethane into the grid must be enabled to ensure market access for these gases at an early stage. It will also ensure that large volumes can be injected quickly, in parallel to building dedicated hydrogen infrastructure and repurposing of existing infrastructure. It will create economies of scale and lower the overall costs. Updated and harmonized gas quality rules and practices are needed to ensure the free flow of gases across Europe.

   a) Harmonised EU-wide hydrogen acceptance level for hydrogen blends, which TSOs must accept at cross-border interconnection points.
   
   b) Reinforce cross-border cooperation on gas quality and work towards a harmonized EU standard.

4. **Ensure cost-effective decarbonisation across energy networks.** Coordinated infrastructure planning across multiple energy carriers, types of infrastructure, and consumption sectors is essential for a cost-effective system-wide energy transition. Level playing field and competition between electricity and gas networks must be ensured. It can be enabled through sector integration and specifically:

   a) Ensure a non-biased scenario building and planning exercise.
   
   b) Include all energy carriers in a single national Network Development Plan.
   
   c) National Network Development Plans should provide information where new investments reduce additional costs to give transparency on externalities not perceived by the market.
   
   d) Reinforce the involvement of Distribution System Operators in infrastructure planning particularly in the context of national development plans and the TYNDP.
   
   e) Enable Distribution System Operators to conduct their own cross-sectorial optimisation.

5. **Ensure strong and coherent consumer protection.** The Electricity Directive introduces new requirements aiming to ensure a higher level of consumer protection. It is important to guarantee the same level of consumer protection in both electricity and gas, except where it is not technically feasible.

   a) Align Basic Contractual Rights between electricity and gas customers.
   
   b) Provisions on the right to switch suppliers to be mirrored.
   
   c) Member States should decide when to move to supplier level disclosure of the gas mix once measures are in force to support renewable and low-carbon gases.
   
   d) Adopt stricter requirements for price regulation in gas.
   
   e) Member States should determine the specific rules applying to dynamic pricing for gas.
   
   f) Rollout of Smart Metering only where they are demonstrated to be cost-effective.
   
   g) Enable the creation and participation in energy communities.
   
   h) Member States should implement the articles on vulnerable customers and energy poverty with a common legislative framework for electricity and gas.
Eurogas recommendations

1. Create a consistent EU policy framework that incentivises gas decarbonisation.

An unprecedented amount of capital is necessary in a relatively short period of time to make the energy transition a success. Investors need a predictable and stable framework that incentivises the decarbonisation of the gas system.

a) Set binding 2030 EU-level targets to lower the GHG intensity of gas consumed by at least 20% and increase the share of renewable gas to at least 11%.

Eurogas, together with 14 other organisations active throughout the entire gas value chain, are calling for a binding 2030 EU-level target to lower the GHG intensity of gas consumed by at least 20% and increase the share of renewable gas to at least 11%.

It will take time before the new policy and regulatory framework translates into concrete market signals. We are convinced that a clear and binding decarbonisation pathway for the gas sector is essential to ensure the necessary investments in gas installations and infrastructure to meet EU climate targets to 2030 and beyond.

It should be possible to comply with the >20% greenhouse gas intensity reduction target and >11% renewable gas target building on existing RED II mechanisms. These should be extended to cover all renewable and decarbonised gases. This includes, but is not limited to, the possibility to comply with the targets through a harmonized EU wide system of certifications, inter alia, the Guarantees of Origin system (extended to include GHG intensity information) and sustainability certificates.

Member States shall be free to define their individual national contributions towards the “EU level greenhouse gas intensity reduction target” and “EU level renewable gas target” no later than June 2024.

When setting their national contributions towards the “EU level greenhouse gas intensity reduction target” and “EU level renewable gas target” in their (revised) NECPs, Member States may do so, inter alia, by means of measures targeting volumes, energy content or greenhouse gas emissions as well as being free to establish differentiated sectorial targets and obligations (e.g., ETS/non ETS).

Our detailed position can be found online: https://eurogas.org/website/wp-content/uploads/2021/05/Stakeholders_position-renewable-and-decarbonised-gas-targets-for-2030-1.pdf

b) Create a sound certification system to establish a tradeable market of renewable and low carbon gases. It should be used to comply with other EU policies, such as the EU.

A liquid and efficient EU-wide market with full cross-border trading for all gases, including renewable, low carbon and decarbonised gases, should be developed. This market should be supported by Guarantees of Origin (GO) issued for all renewable, low carbon and decarbonised gases. GO should carry GHG and sustainability information and should be used for disclosure towards end-consumers.

The possibility to comply with other EU policies, such as the EU ETS and the RED though a harmonized EU wide system of certifications, inter alia, the GO system (extended to include GHG intensity information) and sustainability certificates should also be considered.
c) Introduce carbon pricing in the transport and building sectors to provide the necessary investment signals to consumers. In the short-term, this should be done through energy taxation, complemented by regulatory and support measures. In the long-term, through their inclusion into the EU ETS.

Eurogas supports the long-term objective to expand the ETS to transport and buildings. However, carbon abatement costs vary considerably between these sectors and between regions. Therefore, sectoral, and national flexibilities will initially be required. Those can be best addressed through a taxation-based approach in the short-term.

Eurogas has defined a set of criteria that would enable, the rapid introduction of carbon pricing signals and that would provide for a gradual transition from a taxation-based, to a market-based carbon pricing system:

- Tax corridors to avoid national fragmentation
- Revision of tax corridors based on actual CO₂ market prices
- No double charges for current ETS sectors
- Taxation on end-consumption only
- Exemptions for renewable and low-carbon gases
- Revenues to be earmarked for the energy transition and alleviation of distributional impacts
- CBAM for sectors at risk of carbon leakage
- Definition of ‘ETS-readiness’ indicators for the transport and building sectors

Our detailed position can be found online: https://eurogas.org/website/wp-content/uploads/2021/06/210612-DEF-Eurogas-position-paper-carbon-pricing.pdf

d) Address methane emissions by improving data availability and ensure a more harmonized implementation of Leak Detection and Repair (LDAR) and Monitoring, Reporting and Verification (MRV) across the energy sector.

Eurogas supports the need for more accurate, transparent methane emission reporting and measures to ensure effective emission reductions. A more harmonised approach to Monitoring, Reporting and Verification (MRV) and Leak Detection and Repair (LDAR) across the EU will help reduce GHG emissions in line with the EU’s climate ambitions.

We support the sharing and implementation of best practice for LDAR across Europe. When looking at infrastructure, flexibility is needed across Member States depending on local conditions such as grid type, age of the grid or topography. LDAR is used by DSOs across Europe to ensure the safety of their grid for end-users and preventing any incidents. Practices differ across Europe and parts of the value chain.

Rolling out MRV across the EU will help improve data availability and transparency across the gas value chain. It will ensure that DSOs have a better understanding of their grid. Most DSOs already quantify leaks according to national methodologies. Yet, further harmonisation at EU-level would be welcome. Eurogas supports rolling out the OGMP 2.0 reporting template across DSOs in the EU to ensure a robust and transparent reporting framework. Once in place, other measures such as targets could be impact assessed for certain parts of the value chain.
2. A competitive and liquid internal EU market for all gases.

The regulatory framework should cover all gases, including hydrogen, and build on the existing gas market rules. It must provide clear direction from the beginning. Time limited exemptions from rules could be granted according to predefined criteria for renewable and low-carbon gases. This would avoid overregulating a nascent market.

a) Define a clear regulatory toolbox for all gases from the start but implement it stepwise depending on market realities.

The overall principle should be to provide the regulatory toolbox from the outset – to provide investors’ certainty – but to implement it stepwise, to avoid overregulating a nascent market.

Eurogas considers that regulation is necessary to ensure predictability and a competitive market. The EU legislative framework should set key regulatory principles such as neutrality of network operation, third party access, cost reflective and market compatible network tariffs, treatment of private networks.

There is uncertainty on how rapidly hydrogen supply and demand will develop. Exemptions are therefore needed to align regulation to the market realities. Such exemptions should be time limited, based on EU criteria and approved by NRA/ACER. The regulatory toolbox should be enshrined in EU legislation from the outset to provide direction and investor certainty. An extended implementation period – for instance five years – could be applied to minimize the risk of regulation hampering project development. Member States could then apply for time limited exemptions from some regulatory principles subject to ACER opinion and approval by the European Commission.

If the Regulation and Directive are not already envisaging a liquid and well-integrated market, the development of hydrogen will be significantly hampered due to missing rules and Network Codes. Investors need clear rules to plan for the mid-term future and not only the next three to five years.

b) Hydrogen networks should be regulated by default. Exemptions can be considered provided certain conditions are met.

The default rule for hydrogen networks should be that they are regulated. Exemptions for private investment from certain provisions (e.g., unbundling, third-party access, tariff regulation) can be considered provided conditions, such as those already in place for natural gas assets are met.

Existing private networks can be exempted from regulatory requirements such as unbundling and third-party access. Exemptions can only be granted under NRA supervision and a sunset date needs to be agreed. It could be linked for instance to the expiration of supply contracts, the integration of a private network into an already regulated hydrogen network or third-party interest in accessing the pipeline demonstrated by a market-test.

The possibility for NRAs to grant exemption should be subject to EU harmonised and well-defined requirements in line with those already in place for natural gas infrastructures.
c) Existing vertical unbundling rules should be maintained and applied to all gases, including hydrogen.

Existing unbundling provisions in the Gas Market Design should be maintained and extended to cover all gases.

Unbundling rules are a key provision of the third energy package and guarantee a competitive market. The revision of the electricity legislation through the Clean Energy Package has confirmed existing unbundling rules because of their structural importance. Therefore, the key for the gas market design will be to ensure new forms of gases are covered and can be processed.

This can be achieved through the review of the definitions (gas, distribution operator, transmission system operator, etc.) of the Gas Directive and Regulation. It should include all gases and allow existing grid operators, that are in line with existing unbundling rules, to develop and operate grids for all gases (including natural gas, biomethane, synthetic methane, CO2, Hydrogen).

d) Regulated network operators may – subject to strict conditions – have a temporary role in the development of new markets, activities, and technologies such as power-to-gas. They should never own the electrons or molecules.

When it comes to the development of new markets, activities, and technologies, such as P2G, Eurogas underlines that emphasis should first and foremost be put on creating the policy and regulatory framework, which supports the commercial development and deployment of technologies to produce renewable and decarbonised gases.

Eurogas underlines that the effective separation of networks from activities of production and supply is a fundamental pillar for achieving the objective of a well-functioning internal gas market. This should be maintained when it comes to the development of new markets, activities, and technologies.

If the framework to support the commercial deployment of new technologies is not delivering or the market is not reacting and developing autonomously, following an open and transparent tendering procedure, a role could be envisaged for other interested parties, including network operators in the development, operation, and ownership of these assets for a limited period, until a market test reveals market uptake, with potential new revenue streams linked to this role.

This time-limited role for network operators should be subject to appropriate regulatory oversight, to avoid any detrimental impact on existing and future competition, with clear principles/criteria to determine the degree of contestability in an agreed set of activities.

In case TSOs or DSOs develop P2G facilities, these should operate under Third Party Access (TPA) rules and network operators should not own the electrons or the molecules.

A regular market test should monitor whether the market situation is evolving and exit conditions should be clearly expressed and defined in advance.

3. Ensure the stability and interoperability of the internal EU gas market.

Blending hydrogen and admixtures of biomethane into the grid must be enabled to ensure market access for these gases at an early stage. It will also ensure that large volumes can be injected quickly, in parallel to building dedicated hydrogen infrastructure and repurposing of existing infrastructure. It will create
economies of scale and lower the overall costs. Updated and harmonized gas quality rules and practices are needed to ensure the free flow of gases across Europe.

a) **Harmonised EU-wide hydrogen acceptance level for hydrogen blends, which TSOs must accept at cross-border interconnection points.**

The proportion of renewable and low-carbon gases that is injected will increase quickly in the coming years. Injection points will also increasingly become decentralised. Rules for gas quality and blending will need to be adapted to this new reality. This is necessary to ensure a cost-efficient, safe, and interoperable system.

In building on the existing and liquid integrated gas market in use today, rules related to blending of hydrogen and corresponding gas quality should consider the need for interoperability between Member States at TSO level while also considering local conditions and requirements. Harmonised EU-wide hydrogen acceptance level for hydrogen blends, which TSOs must accept at cross-border interconnection points will ensure a solid and coherent starting point to facilitate the rollout of a liquid market for hydrogen across Europe.

b) **Reinforce cross-border cooperation on gas quality and work towards a harmonized EU standard.**

Eurogas supports the harmonised application of gas quality standards across the EU. This process will take time to deliver. It requires broad consultation and discussion. We therefore encourage reinforced cross-border cooperation in the short-term to enable blending and limit potential negative effects on end-users and infrastructure operators.

The roles, tasks and liabilities of all market participants will evolve because of a growing penetration of renewable and low-carbon gases. An EU-level framework should be set to provide common principles relating to gas quality management. This would avoid excessive national fragmentation while providing for local differences.

At the same time, flexibility at the local level will be important. Blending levels at DSO level can vary. The acceptable level of the blend will depend on the end-user, on the type of grid to distribute it, on the location and capacity of renewable and low-carbon gas production sites. As DSOs are not interconnected, local flexibility will not hinder the cross-border transport and thereby the liquidity of the internal gas market.

4. **Ensure cost-effective decarbonisation across energy networks.**

Coordinated infrastructure planning across multiple energy carriers, types of infrastructure, and consumption sectors is essential for a cost-effective system-wide energy transition. Level playing field and competition between electricity and gas networks must be ensured. It can be enabled through sector integration.

a) **Ensure a non-biased scenario building and planning exercise.**

Scenarios must be aligned with EU climate and energy objectives. They should seek to optimize sector coupling potentials and ensure a cost-effective, system-wide decarbonisation pathway.

- National network development plans should be based on a joint scenario used for gases and electricity planning.
- Stakeholder involvement should be reinforced for the scenario building and planning.
- Scenarios and sensitivity analyses should map technology developments and transparently take limitations into account.
- Transparency on cost methodology assumptions must be provided.
- ACER and NRAs should include in their assessment a Cost Benefit Analysis and provide an assessment of Projects of Common Interest.

### b) Include all energy carriers in a single national Network Development Plan.

A single national network development plan covering all regulated infrastructure can optimise the outlook on infrastructure needs. It can also ensure that cost-efficiency and energy efficiency are considered across the entire system rather than assessing them separately for each energy carrier.

At the same time, a single national network development plans cannot be binding, at least not for DSOs. Local planning responsibility (construction, housing development, industrial area development) is the responsibility of cities and is constantly evolving. It would be impossible for DSOs to precisely predict such evolutions.

### c) National Network Development Plans should provide information where new investments reduce additional costs to give transparency on externalities not perceived by the market.

Coordinated network planning, covering electricity, all gases, including hydrogen networks and storage and CO₂ should be ensured. It should include an assessment of flexibility options across sectors from a system perspective to demonstrate optimized planning.

Indicators such as emissions savings, integration of renewable electricity but also renewable and low-carbon gases, system costs savings, etc. could help assess integrated energy projects.

### d) Reinforce the involvement of Distribution System Operators in infrastructure planning particularly in the context of national development plans and the TYNDP.

The development of renewable and low-carbon gases is accelerating, and large amounts of additional capacity are being connected at DSO level. The involvement of Distribution System Operators (DSO) in infrastructure planning should be reinforced.

At national level, gas DSOs should be directly involved in the National Development Plan exercise. DSOs have detailed knowledge of their grids, the types of customers connected and possible local variations resulting from the injection of renewable and low-carbon gases. At EU level, DSO associations should be involved in the TYNDP exercise to ensure planning considers all relevant infrastructure down to end consumers.

### e) Enable Distribution System Operators to conduct their own cross-sectorial optimisation.

At local level, Distribution System Operators who operate infrastructure across heat, power, and gas can select the most appropriate vector considering the most cost-effective way to meet customer requirements. Distribution System Operators should be allowed to provide the most cost-effective infrastructure to meet the needs of customers.
5. Ensure strong and coherent consumer protection.

The Electricity Directive introduces new requirements aiming to ensure a higher level of consumer protection. It is important to guarantee the same level of consumer protection in both electricity and gas, except where it is not technically feasible.

a) Align Basic Contractual Rights between electricity and gas customers. Member States may set up a common legislative framework for gas and electricity to implement the requirements of the Electricity Directive. Most requirements of Article 10 of the Electricity Directive on Basic Contractual Rights can already be found in Article 3 and Annex 1 of the Gas Directive. It is however appropriate to mirror the missing requirements.

Eurogas recommends mirroring the following provisions in particular:

- The requirements should apply also to bundled products
- Modifications of contractual conditions should be justified maximum two weeks before the decision comes into effect (one month for household customers)
- Prepayment systems: any difference in terms and conditions shall be objective, non-discriminatory, and proportionate
- Households should be provided with adequate information on alternative measures to disconnection sufficiently in advance

b) Provisions on the right to switch suppliers to be mirrored. The Electricity Directive requires suppliers to implement the technical process enabling consumers to switch to a new supplier within 24 hours. It also prohibits any switching related fees for households and small enterprises except for contract termination fees under clearly defined conditions. These provisions should be mirrored for the gas market. An appropriate transition time needs to be established to enable suppliers to implement the technical process.

c) Member States should decide when to move to supplier level disclosure of the gas mix once measures are in force to support renewable and low-carbon gases. Eurogas proposes a two-step approach for the disclosure of the gas mix of suppliers. Supplier level disclosure of the gas mix does not provide additional information in Member States where renewable and low-carbon gases have not yet taken up. Therefore, we suggest a more flexible approach, which would allow Member States to decide when to set up supplier level disclosure, depending on the level of integration of renewable and low-carbon gases. We propose a deadline for all Member States which would coincide with the 2030 target proposed by Eurogas. This would give time to all Member States to set up the right conditions (including any necessary support schemes) to allow renewable and low-carbon gases to be scaled up.

d) Adopt stricter requirements for price regulation in gas. The Electricity Directive tightens the criteria for price regulation and mentions a possible proposal with an end date for them (by 2025). Around half of EU Member States still regulate prices for electricity. Regulated prices also existing in gas but are less prevalent.

In 2019, the co-legislators took the decision to take an additional step towards a phase out of price regulation in electricity. The Directive provides that in principle suppliers are
free to determine their prices. Article 5 of the Electricity Directive also states that energy poor and vulnerable customers must be protected by other means than price regulation.

Nevertheless, it sets conditions and procedures under which Member States can apply price regulation to protect vulnerable and energy poor customers. Member States need to notify and justify their choice. They also need to report on the necessity and proportionality of price regulation as well as the progress towards effective competition. The Commission may propose an end date to price regulation through a legislative proposal by the end of 2025.

Price regulation in the Gas Directive is not bound by similar rules. In this context, Eurogas regrets that a synchronised phase-out of regulated prices on both the gas and electricity sectors did not materialise within the clean energy package, which would have served the interest of competition and consumers better in our view.

It is important to maintain a level-playing field and avoid any market distortions. Eurogas supports the adoption of stricter requirements for price regulation in gas. Eurogas also supports plans to phase out regulated prices as quickly as possible.

e) Member States should determine the specific rules applying to dynamic pricing for gas.

There are certain provisions where the direct alignment between electricity and gas would be less suitable. This concerns for instance Article 11 of the Electricity Directive dealing with the ‘Entitlement to a dynamic price contract’.

The Electricity Directive provides that customers already equipped with smart meters can request a dynamic price contract with at least one supplier and with every supplier with over 200,000 customers. Such a provision does not exist in the Gas Directive. The decision to allow such pricing contracts is up to the Member States, and then to set up a specific regulatory framework.

There is less potential and less of a need to shift demand for gas customers. Moreover, access to a dynamic pricing contract depends on the availability of gas smart meters, but also on other factors. Therefore, there should be no EU obligation for suppliers to offer such a contract. It should be left to the Member States to determine the specific rules applying to dynamic pricing for gas. The Gas Directive can refer to it as a national prerogative.

f) Rollout of Smart Metering only where they are demonstrated to be cost-effective.

Eurogas considers that provisions on smart installation of individual meters in multi-apartment or multi-purpose buildings are relevant to empower final gas customers. However, the provisions on a systematic roll-out of smart meters in Member States should remain unchanged. It is essential that solutions are cost-effective and therefore appropriate that national roll-out plans are subject to an economic assessment covering all long-term costs and benefits.

The Electricity Directive contains provisions for consumers empowerment on smart metering. These are stricter than required at the gas level. When considering a possible alignment with the rules for electricity, due account should be taken of existing methodologies to assess future and existing rollouts before rules are reviewed to ensure a cost-efficient solution for end-users. The experiences in those countries with a roll out in Italy, France, the Netherlands, and the United Kingdom should be analysed before taking further steps. There should not be a mandatory roll-out in the future at Member
State level. At the same time, it is important that existing and ongoing rollouts are not jeopardized by a change of rules as the costs of a rollout are considerable.

<table>
<thead>
<tr>
<th>g) Enable the creation and participation in energy communities.</th>
<th>Considering the recent emphasis on decentralisation of the energy system and prosumers, citizen’s energy communities have become a crucial point in the Electricity Market Design. No basis currently exists in the Gas Directive. Renewable and low-carbon gases can be produced at the local level. Rules in electricity and gas should therefore be aligned even if uptake on the gas side may initially be limited.</th>
</tr>
</thead>
<tbody>
<tr>
<td>h) Member States should implement the articles on vulnerable customers and energy poverty with a common legislative framework for electricity and gas.</td>
<td>The Electricity Directive lays down criteria to help Member States define vulnerable customers. Member States should implement rules on vulnerable customers and energy poverty with a common legislative framework for electricity and gas. Most of the relevant provisions from the Electricity Directive should be mirrored into the gas legislative framework, including the criteria helping Member States to define vulnerable customers and energy poverty.</td>
</tr>
</tbody>
</table>