

Gas Package

Subject Overview

The Commission published the so-called Gas Package on December 15, 2021, as part of the overall update of the 2030 targets. The Gas Package includes the following legislative proposals:

- Gas Market Directive
- Gas Market Regulation
- Methane Regulation

Additionally, the package includes a communication on sustainable carbon cycles.

In summary, the Gas Package expands legislation related to natural gas to also cover hydrogen. A significant portion of the legislation relates to gas markets, member state obligations, network rules, and more.

From the perspective of industries using hydrogen, the package also includes important definitions of "low carbon," certification for low-carbon hydrogen, and aspects related to hydrogen quality. The Gas Package complements the definitions of hydrogen in the Renewable Energy Directive.

The crucial aspect of the package is the potential additional costs brought about by the legislation and how they are distributed.

Objective of the Chemical Industry

The chemical industry aims to ensure that Finnish and EU legislation does not hinder the progress of the hydrogen economy and that there is sufficient research, development, and investment funding to kickstart the hydrogen economy and make the technologies commercially competitive. Additionally, any potential disruptions and additional costs for existing market participants must be avoided.

Having a clear definition of low-emission hydrogen is crucial to kickstarting investments. Furthermore, hydrogen produced using nuclear power should be acceptable.

The Gas Directive does not seem to provide entirely clear answers to hydrogen definitions. It defers more detailed definitions to delegated regulations. The chemical industry believes it would be better if the directive (or regulation) could specify the definition of low-carbon hydrogen and certification-related issues rather than delegating them to subordinate regulations.

The Gas Regulation includes a requirement for member states to accept hydrogen blended with natural gas. From the chemical industry's perspective, a lower proportion (less than 5% proposed by the Commission) would be more sensible to avoid potential concentration fluctuations that could disrupt the processes of companies using natural gas. It is currently unclear whether mixing hydrogen will affect market operations and whether adding hydrogen will result in additional costs for gas users.

The chemical industry believes that the quality of gas must be guaranteed for companies, and additional costs must be avoided if possible. If legislation does lead to additional costs, they should be distributed fairly.

Current Situation and Timeline

The Commission published the Gas Package at the end of 2021, followed by further discussions in the Council and Parliament in 2022 and 2023. Trilogue negotiations began in the summer of 2023.

What We Influence

1. Finland's stance
2. Parliament and Commission
3. Cefic's position
4. The activities and positions of the hydrogen cluster

What We Monitor

We monitor the positions of other countries and stakeholders and influence the implementation of the legislation.

[Commission's proposal for the Gas Package.](#)

Additional information:

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