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CEDEC: update advocacy activities on the Fit For 55

Following up on the publication by the Commission of the Fit For 55 package, CEDEC had drafted a [position paper with 20 recommendations](#) on the priority legislative acts of the package, as a basis for advocacy activities towards policy makers.

After approval of the recommendations by the Board of Directors on 28th of October 2021, the CEDEC position paper along with meeting invitations were sent to MEPs. CEDEC received lots of positive replies and had several meetings with key MEPs and/or their assistants, and was invited to stakeholder roundtables organized by the (shadow) rapporteurs to present its position. Thus, CEDEC has reached out to all key MEPs involved in the Fit For 55 files relevant for CEDEC member companies.

These include, among others: rapporteur Niels Fuglsang (S&D – DK) and shadow rapporteur Nicola Danti (Renew – IT) for the EED; rapporteur Peter Liese (EPP – DE) and shadow rapporteurs Jytte Guteland (S&D – SE) and Michael Bloss (Greens – DE) for the EU ETS; shadow rapporteur for the REDII Nicolas Gonzales CASARES (S&D – ES); rapporteur Ismail Ertug (S&D – DE) and shadow rapporteur Jens Gieseke (EPP – DE) for the AFIR.

A [detailed overview of meetings](#) has been made available on the CEDEC Extranet, open for CEDEC members to complete with their own meetings.

In the meantime, CEDEC has started drafting specific amendments on each of the priority files: a first set of amendments on the Energy Efficiency Directive, Alternative Fuels of Infrastructure Regulation and the EU Emission Trading System has been drafted and transmitted to the relevant MEPs within the very short deadlines imposed.

Sustainable Finance: The EC adopts taxonomy complementary delegated act on gas and nuclear

On 2nd of February, the European Commission presented the awaited [Taxonomy complementary delegated act on climate change mitigation and adaptation covering certain gas and nuclear activities](#). The formal date of adoption will be set when translation in all EU languages is available.

As a reminder, the Taxonomy Delegated Act on climate change mitigation and adaptation – the first two objectives as declined in the Taxonomy Regulation – [adopted on 21 April 2021](#), did not include these activities on gas and nuclear, reason why the EC is now coming up with a “complementary” act.

The complementary DA introduces strict criteria – detailed in 2 annexes ([annex I](#) on climate change mitigation and [annex II](#) on climate change adaptation) – for gas and nuclear activities to potentially classify them as contributing to the energy [transition](#).

Following the formal adoption of the text, the DA will be sent to European Parliament and the Council, which have 4 months (plus 2 upon request) to scrutinise the document and eventually reject it. To reject it, the Council needs to reach reinforced qualified majority, which means at least 20 Member States representing at least 65% of the European population, while the European Parliament needs a majority of at least 353 MEPs. If the DA is not rejected, it will enter into force on 1 January 2023.

What we learned from this Taxonomy saga is that no delegated act – especially when impacting fundamentally on national energy policies - comes without national politics. Thus, it's difficult to predict whether the DA will pass or not. While France celebrates on the inclusion of nuclear, the harshest criticism comes from Member States like Austria, Luxembourg and Germany that claim inclusion of nuclear is [unacceptable](#) and are considering legal action against the EU. At the same time, the Greens in the EP are working to mobilise a majority of MEPs to vote to reject the DA, probably under condition of pushing the Commission to propose a new draft.

Prime movers' group on gas quality and hydrogen handling: the report is out!

The [Prime Movers' group on gas quality and hydrogen handling](#), created in Q3 2020 from a joint initiative of EntsoG and the 4 EU associations representing gas DSOs (CEDEC, Eurogas, GD4S and Geode), has gathered relevant stakeholders of the complete gas value chain to discuss the main principles to handle gas quality related to renewable and low-carbon gases. This allows to understand the possibilities and limitations of consumers connected to the gas network, and therefore how to move concretely forward in the energy transition in the most cost-effective way. The group has finalised its objective in December 2021, and consolidated the outcomes of this work in a roadmap report on “[Decarbonising the gas value chain – challenges, solutions and recommendations](#)”.

While not meant to be comprehensive and definitive, the report is very interesting as it brings together a variety of views, provides an overview for the upcoming developments for the short, mid and long-term to decarbonise, and sets the basis for upcoming discussions on the review of the gas regulatory framework. It proves that the future will need to be a combination of all options and that there is no one-solution-fits-all a, confirming that making new legislation technology neutral is absolutely key.

Today, in general, blending percentages up to 2 % H2 into the natural gas system are already possible without any additional adaptation efforts. While some industrial processes and CNG stations cannot handle more than 2 % H2 nowadays, some sectors like domestic and commercial gas appliances and the distribution level are ready to handle up to 10 % H2 and in some cases even up to 20 % without further adaptations costs. Choices and decisions will most probably differ amongst EU Member States: what might be seen as a short-term development for one country may be a medium-term one for another country. When it comes to grid development, TSOs and DSOs will need to manage and accommodate a diversity of technological choices for the benefit and safety of the climate and all consumers. At the same time, they will need to ensure that achievements of the internal energy market for gas and interoperability between the different energy carriers are maintained and further developed, including hydrogen.

Read the full report [here](#).

Ready4H2 second report

The Ready4H2 study that was launched second half of 2021, brings together around 90 European DSOs and several observers European associations, including CEDEC, with the aim of creating a common understanding and increasing knowledge on how DSOs can contribute to the realization of the hydrogen economy.

The second part of the study, [published on 15th of February](#), shows how gas DSOs provide the means to cope with rapidly growing shares of variable wind and solar power, how they are crucial to the realization of the European hydrogen backbones as DSOs are covering 99% of industrial and commercial gas customers, and how promoting the development of renewable and low-carbon gases also at distribution level would make the transition cheaper. Discover more about Ready4H2 project [here](#).

Reading of the month

[Eurostat – Renewables steadily increasing in heating and cooling](#)

Upcoming meetings & Events

→ CEDEC Working Group Gas: 1 March 2022 (TBC)

→ CEDEC Board of Directors: 6 April 2022

Ongoing consultations

→ [Public consultation on Revision of the Energy Performance of Buildings Directive – deadline 31 march 2022](#)

→ [Public consultation on revision of Gas Directive and Regulation – deadline 12 April 2022](#)