

## Joint statement on the European Commission's Grids Package

The European Commission's Grids Package represents an important step towards placing energy infrastructure at the core of Europe's transition towards affordable, competitive, and secure energy. By strengthening the framework for planning, permitting, financing, and operating cross-sector energy networks, the package aims to contribute to the objectives of the Commission's Action Plan for Affordable Energy and Europe's broader industrial and climate ambitions.

Hydrogen infrastructure – which includes transmission, distribution and geographically confined hydrogen networks, as well as storage and terminal facilities – is a critical pillar of Europe's decarbonised energy system. The infrastructure will also be instrumental in providing low-carbon and renewable hydrogen to industry as feedstock for current and future hydrogen users. With the right infrastructure in place, hydrogen can contribute to decarbonisation of industry and other sectors, reduce renewable electricity curtailment, support system flexibility, provide large-scale long-term energy storage and enable the integration of variable renewable energy sources across sectors, where electrification alone may be insufficient to address peak demand and system constraints.

However, unlocking this potential requires a regulatory and financial framework that fully reflects the specific characteristics and maturity level of the hydrogen sector. Indeed, hydrogen market and its underlying backbone is an emerging one that will develop progressively, combining large-scale transport infrastructure with decentralised distribution infrastructure that support early demand, system integration and market uptake.

**While the co-signatories of this statement welcome the EU Grids Package, several elements require further refinement to ensure that hydrogen infrastructure can be deployed at adequate scale, at speed, and at an acceptable level of risk for investors and consumers.**

### **1. Offshore and EU-level planning: the need for a more comprehensive and inclusive approach towards hydrogen infrastructure planning**

The ambition to strengthen offshore network planning is welcomed. However, hydrogen infrastructure must be fully integrated into offshore planning frameworks and coherently linked to onshore infrastructure development. This is to ensure timely connections to demand centres and to avoid interface bottlenecks between production, transport, distribution and end use. In this context, ENNOH should be placed on an equal footing with ENTSO-E in the governance and development of offshore network planning. Given the likely increasing relevance of offshore hydrogen production and transport, ENNOH's co-authorship when it comes to offshore network development plans is essential to ensure coherent, technology-neutral, and forward-looking infrastructure planning.

In addition, the role of storage sites and terminals in EU-level infrastructure processes, including in the TYNDP and the elaboration of the joint scenario, should be clearly strengthened. These scenarios and planning exercises should take comprehensive account of all relevant infrastructure components and be firmly based on the expertise, experience and technical capabilities developed over the last two decades by TSOs and HNOs, in cooperation with storage, terminal and distribution operators.

Furthermore, with regards to the TYNDP process, the EU DSO Entity should have a defined and meaningful role beyond consultation, including in the provision of data and input to ensure that planning assumptions properly reflect local system realities.

## **2. Cross-border cost allocation (CBCA): prioritising de-risking**

Cross-border cost allocation mechanisms play an important role in enabling deployment of European cross-border infrastructure projects. However, for hydrogen infrastructure in particular, reliance on CBCA methodologies risks slowing down or outright preventing hydrogen backbone buildup.

CBCA methodologies have been developed for mature gas and electricity markets, and therefore, they cannot be simply duplicated and applied to the emerging hydrogen market. Limited demand visibility in the early stages of the hydrogen market development increases investment uncertainty. In this context, rigid CBCA approaches applied to hydrogen projects may lead to disproportionate cost allocation and increased financial risk for hydrogen infrastructure projects. Rather than prioritising increasingly complex CBCA methodologies, the regulatory framework should place greater emphasis on effective de-risking tools, including risk-sharing mechanisms, targeted financial instruments, and coordinated support at European and national levels. Such tools are essential to unlock early-stage hydrogen infrastructure investments and to ensure that cross-border projects can reach final investment decisions. This is particularly relevant given the diversity of hydrogen infrastructure project profiles, ranging from large cross-border corridors to smaller, phased developments happening at local or clusters level.

## **3. Electrolyser eligibility for Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI)**

Serious concerns are raised regarding the proposed increase of the electrolyser capacity threshold in Annex II of the TEN-E framework from 50 MW to 500 MW for eligibility under the PCI regime.

A threshold of 500 MW risks excluding a large share of viable hydrogen projects, including phased developments, industrial clusters, and regional hubs that are critical for the gradual build-up of the hydrogen market. This change may inadvertently favour a limited number of large-scale projects while slowing down broader deployment of hydrogen infrastructure across Europe.

A more proportionate and flexible approach to electrolyser eligibility criteria is therefore needed – one that will be better aligned with the current stage of market development.

## **4. Permitting: equal footing with electricity infrastructure**

The objective of accelerating permitting procedures for strategic energy infrastructure is strongly supported. However, hydrogen infrastructure is not yet granted the same level of regulatory prioritisation as electricity infrastructure.

In particular, the explicit exclusion of hydrogen storage from streamlined permitting procedures creates a structural bottleneck in the development of an integrated hydrogen system. Hydrogen storage is a critical component of system flexibility, security of supply, and sector integration, and should therefore benefit from accelerated permitting on an equal basis with electricity infrastructure.

Hydrogen infrastructure – including electrolysers, storage, pipelines, and import-related facilities – should be fully integrated into streamlined permitting frameworks and benefit from a clear presumption of overriding public interest where appropriate, similarly to EU permitting processes for electricity projects.

## **5. Energy Highways initiative: consistent support for all hydrogen corridors**

A timely and coordinated political backing of hydrogen corridors is essential to sustain momentum in the development of a truly integrated European hydrogen network. Such support plays a key role in reducing investment risk, enhancing visibility for projects of European relevance and enabling timely infrastructure development in line with system needs.

All hydrogen import corridors identified and promoted by network operators at European level should be supported in a consistent manner, on the basis of transparent, objective and non-discriminatory criteria, to avoid the risk of arbitrary differentiation or inefficient allocation of resources. Such a renewed and coherent political backing of all corridors, based on clear, strategic, economic and technical considerations, would contribute to maximising overall system benefits, reinforcing market confidence and ensuring an efficient deployment of hydrogen infrastructure across the Union. The upcoming revision of the European Hydrogen Strategy could be a natural vehicle to ensure a consistent political framing across corridors.

