



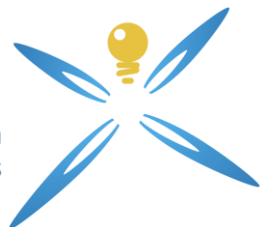
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REPORT

How to Implement the Gas Package in Relation to LNG Issues

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How to implement the Gas Package in relation to LNG issues

LNG WS

Gas Working Group

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Information page

Abstract

This document aims to explore the various options for implementing the Gas Decarbonization Package with respect to LNG and hydrogen terminal matters. It will assess whether there is a need for guidance on the application of LNG terminal regulations in light of the new framework.

Target audience

European Commission, national regulatory authorities, Member States, energy suppliers, traders, gas consumers, gas industry, consumer groups, LNG terminals and other network operators, academics and other interested parties.

Keywords

Liquefied natural gas; LNG; LNG terminal; hydrogen terminal; security of gas supply to the EU; energy transition; internal gas market; competition.

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Related documents

CEER Documents

- [The influence of new LNG terminals on the future EU energy market](#), CEER, February 2024.
- [Liquefied Natural Gas Small-Scale Services in the European Union](#), CEER, June 2022.
- [How to Foster LNG Markets in Europe](#), CEER, July 2019.
- [Removing LNG barriers on gas markets](#), CEER, December 2017.
- [Removing barriers to LNG and to gas storage product innovation](#), CEER, October 2016.
- [The role of LNG to improve security of supply](#), CEER, February 2016.
- [Status Review on monitoring access to LNG terminals in 2009-2013](#), CEER, September 2014.
- [Monitoring Report on Implementation of the Transparency Template in the European LNG Terminals](#), CEER, December 2013.
- [Status Review and evaluation of access regimes at LNG terminals in the EU](#), CEER, March 2013.

External Documents

- [Directive \(EU\) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive \(EU\) 2023/1791 and repealing Directive 2009/73/EC \(recast\)](#), European Commission, July 2024.
- [Regulation \(EU\) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations \(EU\) No 1227/2011, \(EU\) 2017/1938, \(EU\) 2019/942 and \(EU\) 2022/869 and Decision \(EU\) 2017/684 and repealing Regulation \(EC\) No 715/2009 \(recast\)](#), European Commission, July 2024.)
- [State of the Energy Union Report 2024](#), European Commission, September 2024.

Table of contents

EXECUTIVE SUMMARY	5
1 INTRODUCTION	7
2 MAIN REGULATORY CHANGES AND NEW DEVELOPMENTS	9
2.1 Definitions.....	8
2.2 Supply	9
2.3 Third party access and services.....	10
2.4 Capacity allocation mechanisms and congestion management rules.....	11
2.5 Unbundling of activities	12
2.6 Infrastructures: planning and authorisation	13
2.7 Operation and technical rules	13
2.8 Tariffs and guarantees.....	14
2.9 Designation and certification of operators	15
2.10 Transparency, confidentiality and record keeping	15
3 REGULATORY AUTHORITIES FUNCTIONS RELATED TO LNG AND H2 TERMINALS	ERROR! BOOKMARK NOT DEFINED.
4 CONCLUSIONS	ERROR! BOOKMARK NOT DEFINED.
ANNEX 1 – LIST OF ABBREVIATIONS	22
ABOUT CEER	23

Executive Summary

Background

In earlier reports, we highlighted that LNG is considered a crucial element for ensuring supply security and enhancing market competition in the European energy sector. It was anticipated to play a more prominent and significant role in Europe, with the EU shifting from being a balancing market to a reliable consumer. This expectation has now evolved from a mere prediction into a clear reality.

In this context, the gas decarbonisation package was published in the 15 July 2024 EU Official Journal, consisting of Directive (EU) 2024/1788 (hereinafter “the Directive”) and Regulation (EU) 2024/1789 (hereinafter “the Regulation”). It revises the regulations governing the EU natural gas market as outlined in the Gas Directive 2009/73/EC and the Gas Regulation 715/2009 and further establishes a new regulatory framework specifically for hydrogen.

Objectives and contents of the document

While in 2023 the CEER LNG Work Stream examined the impact of new LNG terminals on the future of the EU energy market, the objective of this report is to identify the relevant provisions and assess how the gas decarbonization package impacts the LNG sector and the emerging role of hydrogen terminals.

It includes an analysis of the new provisions in the Directive and Regulation related to LNG and hydrogen terminals and terminal operators, which are additional or different from those applicable prior to these new laws. Regarding LNG, we have focused on the new aspects affecting these plants, avoiding the inclusion of laws already in place before the package..

Brief summary of the conclusions

In general terms, it can be said that the new gas decarbonization package expands the existing laws for LNG terminals to include hydrogen terminals, while also introducing some new rules that impact LNG terminals.

In this context, there are new provisions aimed at ensuring greater transparency and better utilisation of free capacity at LNG terminals, while allowing more flexible gas trade. Hydrogen terminals are, for the first time, also regulated, with provisions affecting third-party access to these infrastructures, their connection to the hydrogen transmission network, unbundling requirements, designation of operators and other conditions. It is important to note that hydrogen terminals include not only those dealing with liquid hydrogen but also those dealing with ammonia, which could become a reality in the future as hydrogen networks begin to develop

This deliverable should not be considered an interpretative note from regulatory authorities regarding EU laws, as that falls outside the scope, functions, and responsibilities of CEER. Instead, it is intended to assist stakeholders impacted by the implementation of the gas decarbonization package in relation to LNG and hydrogen terminal matters.

1 Introduction

In previous reports, we highlighted that LNG was considered a critical source of supply security and market competition for the European energy market. It was expected to play an increasing important role in Europe, with the EU shifting from being a balancing market for LNG to becoming a firm consumer. This expectation has evolved from a mere prediction to an undeniable reality.

During the first quarter of 2024, LNG accounted for 41% of the European Union's gas supply, and we maintained our position as the world's leading LNG importer, accounting for 21% of global LNG imports. This placed the EU ahead of other major importers such as China (19%), Japan (17%), and South Korea (12%)¹. Furthermore, according to the latest EC report on the state of the Energy Union², between 2022 and 2024, twelve new terminals and six expansion projects for existing LNG plants have been put into operation. Collectively, these developments are expected to increase the EU's LNG import capacity by 70 bcm, reaching a total capacity of 284 bcm in 2024.

The LNG surge in Europe has been driven by many factors, with one of the most significant being the Russian invasion of Ukraine, which led to the replacement of part of the pipeline gas coming from Russia with other sources, among which LNG has become a preferred option.

As a result, Europe's gas supply will increasingly rely on LNG in the coming years, making it crucial to implement a regulatory framework that ensures both security of supply and market competition within the context of the global decarbonization process.

In this context, the gas decarbonisation package was published in the 15 July 2024 EU Official Journal, consisting of Directive (EU) 2024/1788 (hereinafter "the Directive") and Regulation (EU) 2024/1789 (hereinafter "the Regulation"). It revises the laws governing the EU natural gas market as outlined in the Gas Directive 2009/73/EC and the Gas Regulation 715/2009 and establishes a new regulatory framework specifically for hydrogen.

In relation to LNG, we have focused on the new aspects affecting these plants, avoiding the inclusion of laws already in place before the package. In this regard, there are new provisions aimed at ensuring greater transparency and better utilisation of free capacity, allowing for more flexible gas trade. Additionally, hydrogen terminals are, for the first time, regulated under the decarbonisation package, with provisions affecting third-party access to these infrastructures, their connection to the hydrogen transmission network, unbundling requirements, designation of operators and other conditions. It is important to note that hydrogen terminals include not only those dealing with liquid hydrogen but also those dealing with ammonia, which could become a reality in the future as hydrogen networks begin to develop.

¹ Quarterly report on European gas markets (covering first quarter of 2024). Market Observatory for Energy. DG Energy.

² State of the Energy Union Report 2024 (pursuant to Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action). COM (2024) 404 final. September 2024.

While in 2023, the CEER LNG WS analysed the influence of new LNG terminals on the future EU energy market, this report will identify the relevant provisions and assess the impact of the gas decarbonization package on the LNG sector and the emerging role of hydrogen terminals.

DISCLAIMER

In no case should this deliverable be considered an interpretative note from regulatory authorities regarding EU law, as this falls outside the scope, functions and responsibilities of CEER. Instead, it is intended to support those stakeholders affected by the implementation of the gas decarbonization package in relation to LNG and hydrogen terminal issues.

2 Main regulatory changes and new developments

This section provides a compendium and analysis of the new provisions in the Directive and Regulation related to LNG and hydrogen terminals and terminal operators, which are additional or different from those applicable before these new laws. In general terms, it can be said that the new decarbonization package extends the provisions already established for LNG terminals to hydrogen terminals, while also introducing some new provisions affecting LNG terminals.

The analysis is organized by subject to facilitate reading, and at the end of each section, there is a chart summarizing the changes and identifying the relevant articles in the Directive and the Regulation.

2.1 Definitions

The two main definitions related to LNG, “LNG facility” and “LNG system operator” (LSO) remain virtually identical.

For hydrogen, there are two main definitions, parallel to those established for LNG, referring to “hydrogen terminal” and “hydrogen terminal operator”. Hydrogen terminal facilities include both the offloading and transformation of liquid hydrogen into gaseous hydrogen for injection into the hydrogen or gas system, as well as the reverse operation (liquefaction). Additionally, terminals offloading liquid ammonia, as a hydrogen carrier, will be also considered as hydrogen terminals.

Topic 1. Definitions	Articles
Hydrogen terminals will be those handling both liquid hydrogen and ammonia, and they may inject the gaseous hydrogen produced into either the hydrogen or the natural gas networks.	Dir. Art. 2.8, 2.9

2.2 Supply

It is worth mentioning that, in the Directive, the definition of “supply”, among the products considered, includes, apart from LNG, liquid hydrogen, liquid organic hydrogen carriers (LOHC) and hydrogen derivatives such as ammonia or methanol.

Concerning supply contracts, no long-term contracts for the supply of unabated fossil gas shall be concluded with a duration extending beyond 31 December 2049, which also applies to LNG supplies.

Furthermore, the Regulation determines the possibility for Member States (hereinafter “MS”) to take proportionate measures to temporarily restrict LNG supplies from the Russian Federation and Belarus, for a fixed term, by limiting upfront bidding for capacity by any single network user for deliveries from these origins, where that is necessary to protect their and EU’s essential security interests. It specifically points out that MS may aim to diversify LNG supplies with a view to phasing out dependence on Russian natural gas. In any case, such measures must neither unduly disrupt the proper functioning of the internal natural gas market nor undermine security of supply. They shall respect the energy solidarity principle and be taken in accordance with respect to third countries. Before deciding on a measure, the EC, the concerned MS, Energy Community Contracting Parties, third countries that are Contracting Parties to the Agreement on the European Economic Area, and the UK shall be consulted.

In relation to the previous paragraph, the Regulation also establishes limitations on participation in the mechanism for demand aggregation and the joint purchasing of natural gas to protect the essential security interests of the Union and its MS. To this end, LNG supplies coming from facilities located in Russia or Belarus shall not be offered through that mechanism or the joint purchasing of natural gas until 31 December 2025. From that date onwards, the EC may decide to temporarily continue excluding such supplies where necessary to protect essential security interests or security of supply, provided that it doesn't unduly disrupt the proper functioning of the internal natural gas market, respect the energy solidarity principle and take into account third countries. The EC shall continuously assess whether these conditions are met and shall take appropriate measures to ensure the effective application of this provision. In particular, it may require participants in the mechanism to provide all necessary information.

Topic 2. Supply	Articles
No long-term supply contracts beyond 2049 for unabated fossil LNG. Ammonia, methanol and LOHC's considered as part of the supply. Possible restrictions of LNG supplies coming from the Russian Federation and Belarus and limitations on the participation in the mechanism for demand aggregation and the joint purchasing.	Dir. Art. 2.28, 31.3 Reg. Art. 8.7, 47, 48

2.3 Third party access and services

While third party access (hereinafter TPA) to LNG terminals remains unchanged, the Directive establishes a negotiated TPA regime for hydrogen terminals, whereby regulatory authorities shall take the necessary measures to ensure users can negotiate such access, monitor the conditions and their impact on the hydrogen market and take measures to safeguard competition where necessary. In any case, the parties shall be obliged to negotiate the access in good faith.

In terms of offering terminal services, hydrogen terminal operators shall be subject to the same conditions already established for natural gas LSOs. This means they shall offer services on a non-discriminatory basis to all network users, compatible with the use of interconnected networks, and facilitate access through cooperation with the hydrogen and natural gas transmission system operators. Additionally, contractual limits on the required minimum size of hydrogen terminal capacity shall be justified on the basis of technical constraints and shall allow smaller storage users to obtain access to storage services.

The Regulation establishes, for the first time, the obligation for LNG system operators to offer both bundled and unbundled services within the LNG facility, depending on the needs expressed by LNG facility users. Currently, this provision is only applicable to storage system operators.

Concerning the exemptions regime for major infrastructures, the conditions are now part of the Regulation rather than the Directive. In this context, hydrogen terminals have been added to the list of infrastructures that may be exempted from the application of certain articles of the package, as was the case for recent LNG terminals. In particular, exempted hydrogen terminals will not be required to comply with the Regulation, except for the main provisions regarding transparency (such as providing information on available capacity and the use of infrastructures, including inflows, outflows and stored hydrogen). They will also be exempt from complying with third-party access and unbundling conditions.

The conditions for exempted hydrogen terminals are the same as those defined for LNG terminals: the investment enhances competition and SoS; the level of risk is such that the investment would not take place unless an exemption is granted; there is separation between the owner and the system operators of the infrastructure ; charges are levied on users; and the exemption is not detrimental to competition, the proper functioning of the internal integrated market, the proper functioning of the regulated systems concerned, or the security of supply of the Union.

Nevertheless, it should be highlighted that, in the context of the exemption regime for new natural gas and hydrogen infrastructures, additional criteria have been added and are applicable to both LNG and hydrogen terminals, mainly related to decarbonization and financing of infrastructures. Specifically: the investment must contribute to decarbonisation and the achievement of the Union’s climate and energy targets, decided by applying the energy efficiency first principle; and the infrastructure must not have received Union financial assistance for works under Regulation (EU) 2021/1153 (establishing the Connecting Europe Facility - CEF).

The exemption may apply not only to new LNG or hydrogen terminals but also to significant increases of capacity in existing plants and modifications to such infrastructures that enable the development of new sources of renewable gas and low-carbon gas supply.

Topic 3. TPA and services	Articles
Negotiated TPA regime for hydrogen terminals, monitored by RA. Same conditions for the offer of services at hydrogen terminals. Obligation to offer bundled and unbundled services at LNG terminals. Hydrogen terminals can also be exempted, from TPA and unbundling. Additional criteria for exemptions: contribution to the decarbonisation, energy efficiency first and not having received CEF funds.	Dir. Art. 36 Reg. Art. 8, 78

2.4 Capacity allocation mechanisms and congestion management rules

The main principles for capacity allocation mechanisms already applicable to LNG terminals are extended to hydrogen terminals.

Concerning CAM, the maximum capacity of hydrogen terminals shall be made available, considering system integrity and efficiency. Additionally, operators shall implement and publish non-discriminatory and transparent CAM that provides appropriate economic signals for the efficient and maximum use of capacity, facilitates investments in new infrastructure, is compatible with market mechanisms including spot markets and trading hubs, and is flexible and capable of adapting to evolving market circumstances. It shall also be compatible with connected network access systems.

As regards CMP, contracts for hydrogen terminals shall include measures to prevent capacity-hoarding. In the case of contractual congestion, the system operator shall offer unused capacity on the primary market without delay, and users shall be entitled to resell their contracted capacity on the secondary market.

As a novelty, both LNG and hydrogen terminal operators shall, by 5 February 2026, individually or jointly, ensure that a transparent and non-discriminatory booking platform for users is available to allow such users to resell their contracted capacity on the secondary market. In this context, the Regulation extends the right to trade capacity on the secondary market to hydrogen terminals, as it was already the case for LNG. Operators shall develop harmonised contracts and procedures to facilitate such trade.

Topic 4. CAM and CMP	Articles
Same CAM and CMP provisions for hydrogen terminals. Booking platform for the trade of capacity in the secondary market by 5 February 2026 (both LNG and hydrogen terminal operators).	Reg. Art. 11, 12

2.5 Unbundling of activities

The concept of combined operators is extended to the hydrogen sector, allowing hydrogen terminals as well as other infrastructures, transmission and distribution networks, and storage facilities, to be operated by a combined operator, provided the operator complies with the unbundling provisions.

Unbundling of accounts is extended to hydrogen terminals, as it is for LNG terminals. Undertakings shall keep separate accounts for the activity, as if they were carried out by separate undertakings. Infrastructure assets shall be allocated to the relevant accounts and made transparent.

Topic 5. Unbundling	Articles
Possible operation of hydrogen terminals by combined operators. Unbundling of accounts for hydrogen terminal operation.	Dir. Art. 2.43, 49.3, 75.3

2.6 Infrastructures: planning and authorisation

MS or any competent authority they designate are responsible for granting authorizations for the construction and operation of facilities, particularly hydrogen terminals (as was already the case for LNG terminals). The authorization process shall not exceed two years (which may be exceptionally extended by one more year) and must consider the contribution to the implementation of the general rules for the organization of markets and infrastructure access, the energy efficiency first principle, the achievement of the Union’s climate and energy targets, MS integrated national energy and climate plans, as well as their long-term strategies.

One of the main goals of the package is to create a regulatory framework that fosters dedicated hydrogen infrastructure and markets, while also promoting, for the first time, integrated network planning across electricity, gas, district heating and hydrogen networks. In line with this, LNG and hydrogen terminal operators are required to provide and exchange all relevant information with the natural gas and hydrogen transmission system operators responsible for the ten-year network development plans. Furthermore, when developing the Union-wide network development plan for hydrogen, ENNOH shall cooperate with ENTSOE and ENTSOG, particularly on the development of the energy system wide cost-benefit analysis and the interlinked energy market and network model, including electricity, natural gas and hydrogen infrastructure, especially LNG and hydrogen terminals.

LNG system operators shall, at least every two years, assess market demand for new investments that allow the use of renewable and low-carbon gas, including liquid ammonia and LOHC, in the facilities, and inform relevant regulatory authorities of the outcome. When planning new investments, they shall assess market demand in view of facilitating the usage of renewable and low-carbon gas in their facilities and consider security of supply. They shall also publish any plans regarding these new investments.

Topic 6. Infrastructures: planning and authorisation	Articles
<p>The authorisation process for LNG and hydrogen terminals shall not exceed 2 years (possible extension of 1 additional year).</p> <p>Integrated cross-sectorial network planning and creation of ENNOH for the hydrogen sector.</p> <p>LSOs shall, at least every two years, assess demand for new investments allowing the use of renewable and low-carbon gas.</p>	<p>Dir. Art. 8, 55.1</p> <p>Reg. Art. 9</p>

2.7 Operation and technical rules

Concerning technical rules, related to the establishment of safety criteria and the minimum technical design and operational requirements for connection to the system, the rules applicable to LNG facilities are extended to hydrogen terminals.

The Directive emphasizes the need for coordination among LSOs at regional level to optimize the use of LNG infrastructures and maximize their potential, which, in our opinion, will reinforce both security of supply and competition. In this sense, it determines that LSOs shall cooperate not only within a MS but also regionally, to ensure the most efficient use of capacity and synergies between facilities, avoiding constraints in the operation of LNG terminals and, in any case, considering system integrity and operation.

Regarding decision-making powers concerning connection to the transmission system and the hydrogen transmission network, these powers are extended to hydrogen terminals. Network operators shall not be entitled to refuse the connection of a new hydrogen terminal on the grounds of possible future limitations to available network capacity or additional costs related to the necessary capacity increase.

Topic 7. Operation and technical rules	Articles
Technical rules for hydrogen terminals and decision-making powers regarding connection to the networks similar to the LNG sector. Need for coordination among LSOs at regional level for optimisation.	Dir. Art. 10, 39.9, 42

2.8 Tariffs and guarantees

The Regulation allows discounts on the TPA tariffs at the connection points of LNG terminals with the gas network. For the first time, it is not needed to take this decision for the purposes of increasing security of supply, as it is currently established in Article 9.2 of the tariffs network code. Until 31 December 2025, a discount of up to 100 % may be applied to capacity-based transmission and distribution tariffs at entry points from LNG facilities. However, from that date onward, the discount may only be applied for the purpose of increasing security of supply, and the regulatory authority shall re-examine the discount and its contribution to security of supply during each regulatory period.

Consistently with this, when defining the areas to be covered by the network code dealing with the rules on harmonized transmission tariff structures, LNG terminals have been explicitly included among the discount possibilities.

In addition, as was the case for LNG, hydrogen terminal TPA contracts shall not result in arbitrarily higher tariffs when signed outside a gas year with non-standard start dates or with a shorter duration than a standard annual contract.

Furthermore, in terms of guarantees, third-party access to hydrogen terminal services may be granted subject to appropriate guarantees from users regarding their creditworthiness. These guarantees shall be non-discriminatory, transparent and proportionate and shall not constitute undue market-entry barriers.

Topic 8. Tariffs and guarantees	Articles
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Possible discounts (100%) on capacity-based tariffs at the connection points of LNG terminals, but from 2026 on the decision must be taken for reasons of SoS. Not arbitrarily higher tariffs for non-standard capacity products at hydrogen terminals possible requirement of guarantees from users.	Reg. Art. 8, 17.3
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2.9 Designation and certification of operators

As is the case for LNG terminals, MS are also required to designate, or mandate hydrogen terminal owners to designate, one or more operators for these infrastructures for a limited period, which will be determined by MS taking into account efficiency and economic balance considerations.

Topic 9. Designation and certification of operators	Articles
Designation of hydrogen terminal operators required.	Dir. Art. 73

2.10 Transparency, confidentiality and record keeping

Transparency is reinforced in the new package, extending the transparency provisions that were applicable to LNG to the hydrogen terminals, while also including new requirements for both. Additionally, new provisions are established to preserve the confidentiality of commercially sensitive information, aiming to guarantee a fair level playing field among system users.

In terms of confidentiality, both LNG and hydrogen terminal operators are explicitly required to preserve the confidentiality of commercially sensitive information obtained while carrying out their activities and shall prevent information about their own activities, which may be commercially advantageous, from being disclosed in a discriminatory manner. This provision is reinforced in the case of vertically integrated undertakings.

Transparent and efficient procedures and tariffs for the non-discriminatory connection of hydrogen terminals should be approved by the regulatory authority and published, as was already the case for LNG facilities.

Supply undertakings must keep at the disposal of national authorities and the EC, for at least five years, the relevant data relating to all transactions in natural gas and hydrogen supply contracts and derivatives with hydrogen terminal operators, among others (this is already applicable to LNG).

Similarly to LNG facilities, hydrogen terminal operators shall make relevant information public, in particular detailed information regarding all services they offer and the relevant conditions applied, along with the technical information necessary for users to obtain effective access. Additionally, they shall publish information on contracted and available capacity on a numerical basis, on a regular and rolling basis, in a user-friendly standardised manner, as well as data on the use (inflows, outflows, stored hydrogen) and availability of services, including for facilities exempted from TPA, within a time-frame compatible with the reasonable commercial needs of users, subject to monitoring by the regulatory authority. The disclosure of the required information must be done in a meaningful, quantifiably clear, easily accessible and non-discriminatory manner and it shall be updated at least daily.

As with LNG system operators, the previous information shall be published on a single European platform maintained by those operators. They shall also provide user-friendly tools for calculating tariffs for the services available. Those terminals that have been granted an exemption shall make public the access tariffs as well, in order to ensure a sufficient degree of transparency.

Connections between hydrogen terminals and the hydrogen network have also been included in the list of relevant points for transparency requirements.

Topic 10. Transparency, confidentiality and record keeping	Articles
<p>To preserve the confidentiality of commercially sensitive information, especially for vertically integrated undertakings.</p> <p>RA shall approve and publish efficient procedures and tariffs for non-discriminatory connection of hydrogen terminals.</p> <p>At least 5 years of record keeping.</p> <p>Hydrogen terminals shall publish information about services, capacities, use of the facilities, to be updated at least daily.</p> <p>LNG terminals shall publish the information on a single European platform, even exempted terminals will publish the tariffs.</p>	<p>Dir. Art. 40, 42, 54, 82</p> <p>Reg. Art. 8.1, 34, 67, Annex I</p>

3 Main regulatory changes and new developments

In this section, there is a list of the new main functions of regulatory authorities in relation to LNG and hydrogen terminals. These are mainly included in Chapter X of the Directive but are also spread across the rest of the chapters and the Regulation. The new functions are as follows:

- Taking the necessary measures for users to be able to negotiate the access to hydrogen terminals, monitor the conditions and their impact on the market for hydrogen and take measures to safeguard competition where necessary (Directive Art. 36).
- Approving discounts on the TPA tariffs at the connection points of the LNG terminals with the gas network (Regulation Art. 17).

- Approving transparent and efficient procedures and tariffs for non-discriminatory connection of hydrogen terminals to the hydrogen transmission network (Directive Art. 42).
- Monitoring the publication of relevant information related to hydrogen terminals (Regulation Art. 8).
- Approve exemptions for LNG and hydrogen terminals where so determined by MS (Regulation Art. 78).
- Monitoring the development of gas qualities and gas quality management by LNG facility operators (Directive Art. 78.1.g).
- Ensuring that there are no cross-subsidies between infrastructures, including hydrogen terminals (already applicable to LNG terminals), and supply activities (Directive Art. 78.1.m).
- Fixing or approving sufficiently in advance of their entry into force at least the methodologies used to calculate or establish the terms and conditions for access to hydrogen terminals (Directive Art. 78.7.b).
- Requiring, if necessary, hydrogen terminal operators (already applicable to LNG), to modify the terms and conditions, including tariffs and methodologies, to ensure that they are proportionate and applied in a non-discriminatory manner (Directive Art. 79.1).
- Acting as a dispute settlement authority, issuing a decision about complaints that any party may have against a hydrogen terminal operator (already applicable to LNG) in relation to that operator's obligations under the Directive, (decision within a period of two months, that may be extended by two additional months) (Directive Art. 79.2).

4 Conclusions

In this chapter, the key messages of this study are summarized according to the different topics.

Overall, it can be stated that the new gas decarbonization package expands the existing laws for LNG terminals to include hydrogen terminals, while also introducing some new rules that impact LNG terminals.

As regards hydrogen terminals, the diversity factor will potentially play a role, in contrast with LNG, as many options shall be considered, and regulators must be prepared for it. Not only will installations dealing with pure hydrogen in liquid state be considered, but also those dealing with liquid ammonia.. Additionally, the hydrogen terminal definition refers to both: terminals that offload and convert a liquid substance into gaseous hydrogen for injection into the networks, and terminals that perform the opposite operation, that is, the liquefaction and onloading of hydrogen. Given the hydrogen production potential within the EU, it must be considered that liquefaction terminals may arise in the future.

Concerning supply, the main changes can be summarized in two statements: the EU's seamless commitment to the decarbonization process prevents the signing of unabated gas supply contracts beyond 2049, particularly unabated LNG. From the security of supply perspective, MS are entitled to restrict Russian and Belarusian LNG supplies.

In terms of TPA, it remains the same for LNG terminals although, for the first time, LSOs are obliged to offer unbundled services, depending on the user's needs. A negotiated TPA regime must be established for hydrogen terminals, whereby the regulatory authorities shall monitor and take measures to safeguard competition.

Regarding CAM and CMP, apart from extending the main access conditions to hydrogen terminals, a booking platform for the trade of capacity in the secondary market must be established by 5 February 2026 for both LNG and hydrogen terminals, either separately or jointly.

As for the separation of activities, hydrogen terminal operators will also be subject to unbundling of accounts and can be managed by combined operators.

In terms of transparency, similarly to LNG facilities, hydrogen terminal operators shall make relevant information public and keep it updated, in particular regarding services, conditions, capacity, etc., in a clear, easily accessible and non-discriminatory manner. In the case of LNG, this information will be published on a single European platform.

Hydrogen terminals can also be exempted from certain provisions, but exemptions must always be granted under certain conditions, the same as those defined for LNG terminals until now, with some additional criteria, such as the contribution to decarbonisation, the energy efficiency first principle, or not having received CEF funds. In any case, LNG terminals that have been granted an exemption shall make public the access tariffs as well.

As we stated in our previous report, exemptions from regulated TPA are, in fact, becoming increasingly widespread, particularly for new capacity, whether LNG or hydrogen. Consequently, regulators must be enabled to guarantee that the rules applicable to the new LNG and hydrogen capacity, regulated or exempted, are transparent, non-discriminatory and objective.

Concerning infrastructures, fully in line with the general planning integration principle, LNG and hydrogen terminal operators are required to exchange information for the network development plans, while MS will maintain the responsibility of granting authorizations for the construction and operation of facilities, which shall not exceed 2 years (exceptionally 3).

For the first time, LSOs are required, at least every two years, to assess market demand for new investments allowing the use of renewable and low-carbon gas, including ammonia and LOHC, and inform of the outcome.

According to the strengthening of market integration principle, LSOs are explicitly required to cooperate at MS and regional levels, to ensure the most efficient use of the capacity and synergies between facilities, avoiding creating constraints.

As regards tariffs, up to 100% discounts on TPA tariffs at the connection points of LNG terminals with the network are allowed without the need to take this decision for the purposes of increasing security of supply. Nevertheless, from 2026, the decision must be taken for SoS reasons.

In terms of the designation and certification of terminal operators, MS are also required to designate or mandate hydrogen terminal owners to designate one or more operators for these infrastructures for a limited period.

Finally, the table below summarizes the new provisions on LNG and hydrogen terminals in the gas decarbonisation package.

Topic 1. Definitions	Articles
- Hydrogen terminals will be those dealing with both, liquid hydrogen or ammonia, and they could inject the gaseous hydrogen produced into both, the hydrogen or the natural gas networks.	Dir. Art. 2.8, 2.9
Topic 2. Supply	Articles
- No long-term supply contracts beyond 2049 for unabated fossil LNG. - Ammonia, methanol and LOHC's considered as part of the supply. - Possible restrictions of LNG supplies coming from the Russian Federation and Belarus and limitations on the participation in the mechanism for demand aggregation and the joint purchasing.	Dir. Art. 2.28, 31.3 Reg. Art. 8.7, 47, 48
Topic 3. TPA and services	Articles
- Negotiated TPA regime for hydrogen terminals, monitored by RA. - Same conditions for the offer of services at hydrogen terminals. - Obligation to offer bundled and unbundled services at LNG terminals. - Hydrogen terminals can also be exempted, from TPA and unbundling. - Additional criteria for exemptions: contribution to the decarbonisation, energy efficiency first and not having received CEF funds.	Dir. Art. 36 Reg. Art. 8, 78

Topic 4. CAM and CMP	Articles
<ul style="list-style-type: none"> - Same CAM and CMP provisions for hydrogen terminals. - Booking platform for the trade of capacity in the secondary market by 5 February 2026 (both LNG and hydrogen terminal operators). 	Reg. Art. 11, 12
Topic 5. Unbundling	Articles
<ul style="list-style-type: none"> - Possible operation of hydrogen terminals by combined operators. - Unbundling of accounts for hydrogen terminal operation. 	Dir. Art. 2.43, 49.3, 75.3
Topic 6. Infrastructures: planning and authorisation	Articles
<ul style="list-style-type: none"> - The authorisation process for LNG and hydrogen terminals shall not exceed 2 years (possible extension of 1 additional year). - Integrated cross-sectorial network planning and creation of ENNOH for the hydrogen sector. - LSOs shall, at least every two years, assess demand for new investments allowing the use of renewable and low-carbon gas. 	Dir. Art. 8, 55.1 Reg. Art. 9
Topic 7. Operation and technical rules	Articles
<ul style="list-style-type: none"> - Technical rules for hydrogen terminals and decision-making powers regarding connection to the networks similar to the LNG sector. - Need for coordination among LSOs at regional level for optimisation. 	Dir. Art. 10, 39.9, 42
Topic 8. Tariffs and guarantees	Articles
<ul style="list-style-type: none"> - Possible discounts (100%) on capacity-based tariffs at the connection points of LNG terminals, even from 2026 on (on grounds of SoS). - Not arbitrarily higher tariffs for non-standard capacity products at hydrogen terminals possible requirement of guarantees from users. 	Reg. Art. 8, 17.3
Topic 9. Designation and certification of operators	Articles
<ul style="list-style-type: none"> - Designation of hydrogen terminal operators required. 	Dir. Art. 73
Topic 10. Transparency, confidentiality and record keeping	Articles
<ul style="list-style-type: none"> - To preserve the confidentiality of commercially sensitive information, especially for vertically integrated undertakings. - RA shall approve and publish efficient procedures and tariffs for non-discriminatory connection of hydrogen terminals. - At least 5 years of record keeping. - Hydrogen terminals shall publish information about services, capacities, use of the facilities, to be updated at least daily. - LNG terminals shall publish the information on a single European platform, even exempted terminals will publish the tariffs. 	Dir. Art. 40, 42, 54, 82 Reg. Art. 8.1, 34, 67, Annex I
Regulatory Authorities	
<ul style="list-style-type: none"> - Taking the necessary measures for users to be able to negotiate the access to hydrogen terminals, monitor the conditions and their impact on the market for hydrogen and take measures to safeguard competition where necessary (Dir. Art. 36). 	

- Approving discounts on the TPA tariffs at the connection points of the LNG terminals with the gas network (Reg. Art. 17).
- Approving transparent and efficient procedures and tariffs for non-discriminatory connection of hydrogen terminals to the hydrogen transmission network (Dir. Art. 42).
- Monitoring the publication of relevant information related to hydrogen terminals (Reg. Art. 8).
- Approve exemptions for LNG and hydrogen terminals where so determined by MS (Reg. Art. 78).
- Monitoring the development of gas qualities and gas quality management by LNG facility operators (Dir. Art. 78.1.g).
- Ensuring that there are no cross-subsidies between infrastructures, including hydrogen terminals (already applicable to LNG terminals), and supply activities (Dir. Art. 78.1.m).
- Fixing or approving sufficiently in advance of their entry into force at least the methodologies used to calculate or establish the terms and conditions for access to hydrogen terminals (Dir. Art. 78.7.b).
- Requiring, if necessary, hydrogen terminal operators (already applicable to LNG), to modify the terms and conditions, including tariffs and methodologies, to ensure that they are proportionate and applied in a non-discriminatory manner (Dir. Art. 79.1).
- Acting as a dispute settlement authority, issuing a decision about complaints that any party may have against a hydrogen terminal operator (already applicable to LNG) in relation to that operator's obligations under the Directive, (decision within a period of two months, that may be extended by two additional months) (Dir. Art. 79.2).

Annex 1 – List of abbreviations

Term	Definition
CAM	Capacity Allocation Mechanisms
CEER	Council of European Energy Regulators
CMP	Congestion Management Procedures
EC	European Commission
ENNOH	European Network of Network Operators for Hydrogen
LNG	Liquefied natural gas
LOHC	Liquid organic hydrogen carriers
LSO	LNG System Operator
MS	Member State(s)
RA	Regulatory Authority
rTPA	Regulated Third Party Access
SoS	Security of Supply
TSO	Transmission System Operator

About CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national energy regulators. CEER's members and observers comprise 39 national energy regulatory authorities (NRAs) from across Europe.

CEER is legally established as a not-for-profit association under Belgian law, with a small Secretariat based in Brussels to assist the organisation.

CEER supports its NRA members/observers in their responsibilities, sharing experience and developing regulatory capacity and best practices. It does so by facilitating expert working group meetings, hosting workshops and events, supporting the development and publication of regulatory papers, and through an in-house Training Academy. Through CEER, European NRAs cooperate and develop common position papers, advice and forward-thinking recommendations to improve the electricity and gas markets for the benefit of consumers and businesses.

In terms of policy, CEER actively promotes an investment friendly, harmonised regulatory environment and the consistent application of existing EU legislation. A key objective of CEER is to facilitate the creation of a single, competitive, efficient and sustainable Internal Energy Market in Europe that works in the consumer interest.

Specifically, CEER deals with a range of energy regulatory issues including wholesale and retail markets; consumer issues; distribution networks; smart grids; flexibility; sustainability; and international cooperation.

CEER wishes to thank in particular the following regulatory experts for their work in preparing this report: All the LNG WS regulators who have provided inputs and suggestions to elaborate it.

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