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COMMISSION DE RÉGULATION DE L'ÉNERGIE

ANSWER TO A CONSULTATION

Contribution of the *Commission de régulation de l'énergie* to the feedback period on the legislative proposal of the European Commission on the revision of the European Union rules on access to the gas market and networks

On 15 December 2021, the European Commission adopted and published its legislative proposal on the revision of the common rules for the internal market for natural gas, which includes the revision of Regulation 715/2009 and Directive 2009/73/EC, and the proposal of a new Regulation to reduce methane emissions.

The *Commission de régulation de l'énergie* (CRE) welcomes this new legislative package, which accelerates the indispensable decarbonisation of the natural gas sector and prepares for the arrival of hydrogen, thus making a decisive contribution to strengthening the European Union's energy independence. However, CRE would like to draw attention to some of the proposed measures that it considers premature or that run counter to the proper functioning of the European gas system and, ultimately, to the development of hydrogen.

Given the essential challenges, but also the complexity of the process of decarbonising the European economy, CRE considers that it is paramount to show flexibility and pragmatism. Thus, the objective of any new regulation must be to allow the development and proper functioning of the renewable and low-carbon gas and hydrogen sectors. This requires, among other things, the organisation of effective coordination between the different levels of governance, local, national and European. The principle of subsidiarity is the main lever for achieving this objective, ensuring that the European Union intervenes where the objectives cannot be achieved satisfactorily by the Member States. With regard to renewable and low-carbon gases and hydrogen, CRE draws from its experience as a field regulator that decarbonisation comes with the multiplication of projects with a local dimension, anchored in the territories and for which it is relevant to promote the development of local ecosystems. In this context, the European framework will have to ensure respect for the diversity of modes of governance and avoid an excess of regulations that would hinder innovation in both technical and organisational terms. Indeed, the sector is becoming structured and the increment of technical progress, as well as the climate emergency, force constant adaptations. Freezing governance would be counterproductive. In the light of these principles, CRE therefore wishes to make the following proposals:

- **Promotion of renewable and low-carbon gases**: with a view to facilitating access to the market for renewable and low-carbon gases, CRE is in favour of the adoption of binding targets at European Union level. It recommends simple solutions, which only modify the current functioning of the European gas system if strictly necessary. For example, the integration of distribution networks into the entry-exit zones (currently limited to the transport system) should remain optional. This solution is particularly cumbersome and destabilising, whereas contractual solutions have proved effective, particularly in France. Tariff rebates for access to the network must correspond to a real and quantifiable benefit for the infrastructures. CRE is not in favour of exempting renewable and low-carbon gases from interconnection tariffs, a measure that is particularly complex to apply and which show no significant added value.
- **Development of hydrogen**: CRE welcomes the European Union's ambitious objectives for the development of hydrogen, as set out in the proposed legislation. CRE recommends that the development of the renewable and low-carbon hydrogen sector should be approached without seeking to reproduce in its entirety the market model designed for a different and mature sector. It therefore considers that the deadline set at 2030 for the application of regulated access to infrastructures and the separation of assets is far too close. CRE recommends extending the exemptions and maintaining the authorisation of the independent transmission operator (ITO) model, which allows operators to be effectively independent. Depriving ourselves of this option would greatly slow down the development of the sector that is being set up. Furthermore, CRE considers that the development of infrastructures must meet proven needs, and interconnections must be based on sufficiently robust national systems. CRE is not in favour of blending hydrogen in gas networks, even on a transitory basis. This measure would be costly and would pose safety problems while reducing the value of both hydrogen and natural gas.
- **Governance**: the proposed texts provide ACER with new competencies, in particular regarding gas TSOs' authorised revenue setting and the methods for valuing assets converted to hydrogen. On these complex

subjects, CRE calls for national regulators to be given the necessary latitude to deal with the specific cases they will necessarily have to deal with. Given the specific nature of national and local situations, CRE recommends in particular that European benchmarking studies be used with caution.

- **Security of supply**: Member States must have the necessary latitude to ensure the robustness of their national storage system, which has already shown what a valuable asset it is both at regional and pan-European level. CRE therefore welcomes the proposal for a Regulation on natural gas storage, submitted on 23 March 2022, which strengthens the powers of Member States to adopt measures to achieve the required levels of storage on their territory, while reinforcing European solidarity and security in this regard.
- **Reduction of methane emissions**: CRE recommends giving priority to actions leading to the greatest reductions in methane emissions at the lowest cost. The national authority designated by the Member States must be able to prioritise measures according to their effectiveness and set pragmatic monitoring rules in terms of frequency and scope of detection campaigns.

1) Proposal to include gas distribution networks in the perimeter of the entry-exit zones in order to promote access to renewable and low-carbon gas markets.

Relevant article(s) of Directive COM(2021) 803 final: Article 2(53) (Definitions)
Relevant article(s) of Regulation COM(2021) 804 final: Article 2(30) (Definitions)

Proposal of the European Commission

The proposed revised Regulation and Directive provide, inter alia, for the inclusion of distribution networks within the perimeter of the entry-exit zones (Regulation Art. 2(30) and Directive Art. 2(53)). This measure aims to grant direct access to gas trading points to renewable and low-carbon gas producers, most of which are connected to distribution networks. Indeed, the marketplaces are in theory only directly accessible within the entry-exit zone.

CRE's analysis

The regulatory framework implemented in France since 2019 to support the development of the biomethane sector already meets these principles. CRE considers that this system has proved its worth, allowing a very strong increase in the annual biomethane production capacity connected to the networks, which rose from approximately 0.9 TWh in 2018, before the 'right to injection' came into force, to more than 6.5 TWh early 2022, i.e. beyond the French objective of 6 TWh in 2023. This increase was achieved without any need to change the architecture and operating rules of the French gas market.

While some Member States have already opted to extend the entry-exit zone to distribution networks, CRE warns that this measure would be inappropriate and ineffective if it were to be applied indiscriminately and arbitrarily to all European gas systems, and in particular in the French case.

CRE considers the European Commission's proposal in this area to be ineffective, as other commercial or virtual solutions exist, which are much simpler. In many Member States, they already enable renewable and low-carbon gas producers to obtain an outlet for their production on the gas market (in France, through gas suppliers, on the basis of a system of guarantees of origin). Moreover, extending the entry-exit zone to the distribution networks would call into question the contractual and tariff architecture of the European gas target model, as set out in the network codes on capacity allocation mechanisms in gas transmission systems (CAM) and on harmonised transmission tariff structures for gas (TAR).

CRE's proposal

CRE recommends that the integration of the distribution networks into the entry-exit zones remains optional, in order each Member State can choose to implement the measures best suited to the architecture of its national networks, so that the operational and effective support mechanisms already implemented for these sectors are not called into question.

2) Network access tariffs : discounts and exemptions for renewable and low carbon gases

Relevant article(s) of Regulation COM(2021) 804 final: Article 16(1) et 16(5) (Tariff discounts for renewable and low carbon gases)

Proposal of the European Commission

In order to make renewable and low-carbon gases more competitive with fossil gas, the European Commission intends to reduce the cost of their access to gas infrastructure. In its legislative proposal (Regulation Art. 16(1) and (5)), the Commission foresees a 75% discount on injection tariffs and a 75% discount on tariffs at the interface between transmission networks and storage facilities, as well as a total exemption from tariffs at interconnection points between adjacent networks and with LNG terminals.

CRE's analysis

CRE reminds that regulators are generally not in favour of tariff discounts in that they distort the economic signals sent to users of the regulated infrastructures and pose problems in covering the costs of network operators. Any tariff discount must be justified and quantified, in particular with regards the role the beneficiaries of these rebates play or the service they provide to the gas system. Like its European counterparts, CRE is committed to respecting the main principles that are at the heart of tariffication for the use of gas infrastructures, such as transparency, non-discrimination, cost reflectivity and the absence of cross-subsidies between categories of users.

The 75% discount on the network injection tariff for renewable and low-carbon gases aims to reduce the cost of access to the market for these decentrally produced gases. CRE considers that these discounts are justified in cases where renewable and low-carbon gases are produced and injected into the networks close to consumption points, which results in significantly lower network usage costs than those generated by the consumption of imported natural gas. Furthermore, the implementation of these discounts is relatively simple, as they are applied directly at the points where these gases are injected.

As regards the transport-storage interface, tariff discounts are already provided for in European legislation (the European network code on harmonised transmission tariff structures for gas already provides for a discount of at least 50% at these points). These are justified from an economic point of view, in particular because storage allows a reduction in the costs of using the transmission networks and improves security of supply. However, CRE considers that all gases should benefit from these discounts, and not only renewable and low-carbon gases.

However, the full exemption from tariffs at interconnection points between marketplaces and with LNG terminals appears to CRE to be both ineffective and extremely complex to implement. Ineffective, because the effect on the competitiveness of renewable gases would be negligible. Complex, because it would require the operation of two different systems on the same infrastructures (free capacity allocations for renewable and low-carbon gases and not for fossil gas), knowing that it would be impossible to physically differentiate between gases of different origins. CRE considers that relying on mechanisms such as green certificates will be more relevant. Moreover, the payments between transmission system operators (TSOs), aimed at compensating for the effects of exemptions on cost coverage, pose numerous technical implementation difficulties.

CRE's proposal

CRE proposes, on the one hand, to apply the discount at the transport-storage interface points to all gases (and not only to renewable and low-carbon gases) and, on the other hand, to remove the full tariff exemption at interconnection points.

3) Obligation on TSOs to accept, by 2025, up to 5% hydrogen blending per volume of gas at interconnection points.

Relevant article(s) of Regulation COM(2021) 804 final: Article 20 (Hydrogen blends at interconnection points between Union Member States in the natural gas system)

Proposal of the European Commission

In its legislative proposal, the European Commission foresees the obligation for TSOs to accept a proportion of hydrogen of up to 5% by volume of gas at interconnection points (Regulation Art. 20). The aim is to offer, at least on a transitional basis, an outlet for hydrogen production in its development phase.

CRE's analysis

The quality of the gas, i.e. its composition, is very strictly monitored to ensure that it is always compatible with the consumers' installations. Adding hydrogen to natural gas, which is essentially made up of methane, would therefore pose problems for users, particularly industrial consumers whose installations are very sensitive to the quality of the gas delivered. In addition, at interconnection points, the country receiving gas would be exposed to the choices made in the upstream market area, which would affect the ability of the downstream TSO to control the level of hydrogen in the gas networks.

Injecting hydrogen, an explosive gas, into gas networks would also pose significant safety problems. Hydrogen is a much smaller molecule than methane, so there would be risks of leaks in existing installations.

Injecting hydrogen into gas networks would require investment in blending stations (at injection points), and separation of hydrogen at exit points to facilities not hydrogen-ready. The higher the proportion of blending, the greater the adaptations needed to the facilities and the more costly for both infrastructure operators and consumers.

CRE considers that, from an economic point of view, while low-carbon hydrogen is still very expensive to produce, injecting it into the networks would constitute a loss of economic value for hydrogen and a degradation of the quality of use of the networks. Indeed, hydrogen would no longer be usable and would degrade the quality of methane. In short, this would be a very costly measure that would destroy value for the community. This approach should be avoided. CRE prefers an approach that is technologically and economically more coherent, consisting in separating the gas networks from the hydrogen networks.

CRE's proposal

CRE is not in favour of blending hydrogen into the gas transport networks. If this measure were nevertheless to be adopted, the maximum threshold should be lowered to a technically realistic level, below that proposed by the European Commission (the analyses carried out by experts, in particular by the Marcogaz association, highlight a maximum rate of 2%), which would make it possible to limit both risks and costs.

4) Market model and regulation of the hydrogen sector

Relevant article(s) of Directive COM(2021) 803 final: Articles 31 à 33 (Third-party access to hydrogen networks, terminals, storage) ; Articles 62 et 63 (Unbundling of hydrogen network operators ; Horizontal unbundling of hydrogen network operators) ; Article 47 (Existing hydrogen networks) ; Article 48 (Geographically confined hydrogen networks)

Proposal of the European Commission

With its legislative proposal, the European Commission intends to develop market rules aiming at the establishment of an open and competitive European hydrogen market. These rules are very much inspired by those governing the natural gas market, with the establishment of open and non-discriminatory third-party access to infrastructure (Art. 31 to 33 Directive), and of ownership unbundling (between transmission and production/supply activities, art. 62 Directive) and of legal unbundling (between natural gas and hydrogen, art. 63 Directive). Temporary derogations to these principles are foreseen until the end of 2030 (Art. 47 Directive), while geographically confined networks (Art. 48 Directive) would benefit from more permanent derogations.

CRE's analysis

CRE considers these measures to be too strict and not well suited to an emerging sector like hydrogen. It should be recalled that the rules of the gas markets were applied to a mature sector and not to an industry in the making. While CRE considers that it is important to specify the target model and the main rules that will ultimately be applicable to give visibility to investors and project developers, this must not be done to the detriment of the industry's own organisation. The sector must be able to develop without being burdened by the rigidity of rules that do not match its level of maturity. Furthermore, the uncertainties that still weigh on the long-term economic model of hydrogen lead us to remain cautious about duplicating a regulatory model that is now adapted to a mature market.

In concrete terms, imposing ownership unbundling (OU) as the only target model for separation from the very beginning is an excessive measure in relation to the objective of independence of the network operator sought by the European Union. CRE considers that the ITO model, which is the one under which GRTgaz is certified, combined with oversight by the regulator, makes it possible to guarantee the independence of the infrastructure owner from gas producers and suppliers. Banning the ITO model from the end of 2030 would have the effect of excluding major players from the hydrogen market, whose skills are nevertheless necessary for the development of the sector, as well as driving established manufacturers out of the market. Furthermore, the introduction of regulated third-party access for the networks seems to be a very burdensome measure to implement in such a short period of time, a fortiori to replace negotiated access which would only be in place on a transitory basis, for a period of 5 to 7 years.

CRE's proposal

CRE recommends favouring a flexible and adaptable regulation. Derogations must be planned in relation to the model of asset separation and to the systematic regulation of access to infrastructures depending on the degree of development of the market. Setting an arbitrary deadline too close in time may hinder market development. Periodic market analysis by ACER and national regulators would give the hydrogen sector the required flexibility to operate and structure the industry without unnecessary constraints. Stricter rules can be applied at a later stage when conflicts of interest are identified.

5) Development of hydrogen infrastructure and cross-border trade

Relevant article(s) of Directive COM(2021) 803 final: Article 7 (Authorisation procedure); Article 52 (Hydrogen network development reporting); Article 53 (Financing new cross-border hydrogen infrastructure)
Relevant article(s) of Regulation COM(2021) 804 final: Article 6 (Third-party access services concerning hydrogen network operators) ; Article 42 (Tasks of the ENNOH) ; Article 43 (Ten-year network development plan for hydrogen) ; Article 60 (New natural gas and hydrogen infrastructure)

Proposal of the European Commission

The European Commission's approach is to promote a European hydrogen market based on cross-border trade and a target model for long-distance transport similar to the one in place for natural gas. The legislative proposals thus organise the creation of a European network by facilitating the retrofitting of gas pipelines (Art. 7 Directive), by facilitating the setting up of hydrogen pipelines (Art. 42, 43 Regulation, Art. 52 Directive: hydrogen operators are responsible for developing sufficient cross-border capacity; Art. 60 Regulation: exemptions can be granted to new pipelines) and by encouraging cross-border trade via zero tariffs at interconnections (Art. 6 Regulation) and specific funding (Art. 53 Directive).

CRE's analysis

CRE notes that this approach favours the development of hydrogen transport infrastructures following the gas model, which imperfectly reflects the hydrogen strategy, published in July 2020. This strategy foresees a joint development of supply and demand, according to a progressive development strategy, then the linking of clusters at the level of the Member States, before connecting the national markets between them by interconnections.

CRE favours and strongly recommends this gradual approach, as it takes into account the technical and economical uncertainties and the emerging nature of the hydrogen sector, whose structuring is not yet known to be based on a concentration of sources and imports sufficiently large to justify a very large transport infrastructure network. Consequently, it is important to avoid over-investment in infrastructure and to give priority to investments that meet proven needs for transport between national markets. CRE considers that the sector could not develop on sound and solid economic foundations if it relied exclusively on subsidies, particularly from other energy sectors such as gas. This implies the gradual construction of a mature demand through firm commitments from consumers, potentially within the framework of specific models associating producers, transport operators and consumers. Two French projects exemplify this dynamic. In Manosque (Alpes-de-Haute-Provence), the HyGreen project combines the installation of an electrolyser and local uses for mobility. The increase in production will enable the plants in Fos-sur-Mer (Bouches-du-Rhône) to be supplied and the hydrogen produced to be stored in two saline cavities in Manosque. In Dunkirk (Nord), several projects are combined, involving renewable energy (offshore wind farm and solar farm), hydrogen production, and industrial sites, with an electric battery production plant and the forthcoming conversion of three blast furnaces to produce steel in a carbon-free manner.

CRE's proposal

The objective of a European hydrogen market should not come before the emergence of national markets. CRE believes that the gradual build-up of the hydrogen sector should be encouraged, with priority given first to industrial clusters rather than to large-scale transport. Any infrastructure project must meet proven needs to avoid stranded costs and stranded assets.

6) Measures to enhance security of supply and create strategic gas stocks

Relevant article(s) of Regulation COM(2021) 804 final: Article 67 (Amendments to Regulation (EU) 2017/1938)

Proposal of the European Commission

The scope of the Security of Supply Regulation has been extended to include renewable and low-carbon gases, and the Commission's proposals introduce the concept of strategic stocks and rules to encourage the filling of storage facilities, such as obligations for users to reach a minimum level of filling of subscribed capacity, incentives for filling via auctions with financial support, and obligations for TSOs to build up strategic stocks. These measures are the result of the risk analysis in the regional groups. They aim at an efficient use of storage for security of supply. The concerned Member States can then agree to achieve a given level of storage and determine a common financing scheme. Member States can establish joint strategic stocks.

CRE's analysis

CRE observes that the proposed measures are addressed from a cross-border cooperation perspective. This would reinforce the role of the European Commission, which would be formally invited to issue recommendations on agreements with third countries. Member States would be invited to integrate storage into the regional risk assessment, including the risks related to the holding of storage capacity by third country entities. Member States should consider measures based on regional cooperation when certain risks are not covered, as well as the collective establishment of strategic stocks. In this case, national risk assessments should be consistent with regional assessments and the measures taken should not undermine the security of supply of other Member States nor hinder the proper functioning of the market.

It can be noticed that the current price crisis and geostrategic tensions have led the European Commission to reconsider some past positions by inviting Member States to adopt measures such as storage obligations. However, the European Commission's proposal would mean that Member States' decisions would be further constrained and subject only to compliance with the criteria set out in the Security of Supply Regulation, whose spirit was rather to set "floor" standards. The regional approach and the planned adjustments, although based on negotiations between Member States, seem to be rather complex. The extent of the regional groups' prerogatives, particularly in relation to national measures, remains to be clarified, but does not seem to pose a problem from the point of view of the regulation of access to storage. The measures envisaged include entrusting TSOs with the management of strategic stocks. Member States could be given more flexibility to designate the responsible entity. The definition of the rules for financing and use refers to a solidarity principle that needs to be translated into practice.

CRE's proposal

CRE does not contest the principle of a regional approach as set out in the European Commission's proposal. However, the potential complexity of such an approach must be addressed, both from the point of view of financing and the rules for the use of volumes. CRE advocates that Member States should above all have the flexibility to ensure the robustness of their national system, which should be seen as an asset at regional and pan-European levels. The

proposal for a Regulation on storage, submitted on 23 March 2022[1], supports the idea that the Member States should be able to decide on the measures to achieve the required storage levels.

7) Measures related to TSOs' authroized revenues

Relevant article(s) of Regulation COM(2021) 804 final: Article 4 (Separation of regulated asset bases) ; Article 17 (Revenues of gas transmission system operators)

Proposal of the European Commission

Regulation Article 4(4) would give ACER the responsibility to issue recommendations on the valuation methodology for gas assets converted to hydrogen.

Regulation Article 17 provides for a greater degree of transparency in the methodologies and parameters for establishing the authorised revenues of gas TSOs, according to a list established in Annex 1 of the Regulation, and would entrust ACER with the task of carrying out, every 4 years, a benchmarking study on the degree of cost efficiency of European TSOs, the results of which will have to be taken into account by national regulators when determining the authorised revenues of operators. The same article would also require national regulators to assess the long-term evolution of tariffs given the expected evolution of gas demand by 2050, based on the National Energy and Climate Plans and on the scenarios of the network development plans.

CRE's analysis

CRE welcomes the fact that the guidelines on the transfer value of assets converted to hydrogen are a recommendation of ACER, as regulators should be able to set the transfer value according to the national context.

CRE is in favour of measures to increase transparency. However, it questions the need for detailed publication of certain information and calculation methods. The confidentiality of commercially sensitive information must be respected.

CRE draws attention to the methodological complexity of benchmarking analyses of the costs incurred by TSOs at European level. Their results must be interpreted in the light of national circumstances and contexts.

CRE's proposal

CRE is in favour of these new tools, including benchmarking studies, being made available to national regulators in order to exercise their tariffication activities as effectively as possible. However, it considers that they should be applied in a non-binding manner and that their results should be taken into account in the light of national circumstances and contexts.

8) Governance issues and new competences of regulators

Relevant article(s) of Directive COM(2021) 803 final: Article 72 (Duties and powers of the regulatory authority)

Proposal of the European Commission

In line with the target model for hydrogen, the powers of national regulators are extended to this sector (tariffs setting, operators oversight, review of development plans). The increased role of renewable and low-carbon gases and hydrogen is reflected in a new competence for gas and hydrogen quality management. A process for resolving disputes over gas quality at interconnectors is established, involving TSOs or hydrogen operators, then regulators, and ACER in case of lack of agreement between regulators. A similar process exists for the determination of the inter-operator compensation mechanism for tariff exemption at interconnection points. From a European governance point of view, regulators are charged with monitoring the obligations of the operators' associations (EU DSO, ENNOH, ENTSOG); ACER is seized in case of unresolved issues by regulators after 4 months from the beginning of the consultations in order to jointly identify cases of non-compliance

CRE's analysis

The expansion of the regulators' tasks is overall consistent with the new provisions envisaged by the European Commission and the target model for hydrogen. CRE notes that ACER's role as an arbitration body has been systematised. It identifies the risk of fragmentation of European planning bodies, due to the multiplication of operator associations and planning documents. As regards tariff compensation, the proposal would allow TSOs to define a compensation mechanism without validation by regulators. This should be corrected to include it in the existing procedures. Concerning the quality of gas and hydrogen, CRE underlines that the process envisaged to resolve cross-border disagreements is very lengthy (between 2 and 3 years).

CRE's proposal

[1] This contribution by CRE is not intended to comment on the European Commission's proposal COM(2022) 135 of 23 March 2022 on the regulation of storage.

CRE is not in favour of setting up tariff compensation between TSOs as part of the system of discounts and tariff exemptions at the borders for renewable and low-carbon gases. It would like the national regulators to keep the power to approve the compensation methods, even if the TSOs agree. On gas quality, CRE proposes to significantly shorten the deadlines set out in the legislative proposal for the process of identifying and resolving restrictions on cross-border trade.

9) Monitoring and intervention measures on gas infrastructures to reduce methane leaks.

Relevant article(s) of Regulation COM(2021) 805 final: Article 12 (Monitoring and reporting) ; Article 14 (Leak detection and repair)

Proposal of the European Commission

The proposal for a Regulation advocates for a set of measures aimed at systematically detecting methane emissions in all components of the gas value chain. At the level of downstream infrastructures, it intends to introduce a principle of quarterly surveys with an obligation to carry out work in the event of proven detection. Measures on monitoring and informing the Commission must also be put in place.

CRE's analysis

As methane emissions are the second most important cause of global warming after CO_2 emissions, CRE – which attaches great importance to this issue in its role as regulator – welcomes the European Commission's proposal for a Regulation on methane emissions.

In order to be as effective as possible, CRE believes that it is necessary to give priority to measures where the ratio between the emissions avoided and the costs of achieving them is the highest, rather than systematic and undifferentiated interventions on all potential leaks.

To this end, the highly technical and operational nature of methane emissions control will require close association of industrial expertise with the choice of measures, adapting them according to the gas asset in question (LNG terminals, storage facilities, transmission and distribution networks). These assets include facilities of different types and sizes, and the operators are not all at the same stage in terms of the measures taken to reduce their methane emissions.

For example, CRE considers that the obligation (Regulation Article 14) to carry out leak detection and repair (LDAR) campaigns cannot be applied in the same way to gas network operators on the one hand (which underground networks extend over hundreds of thousands of kilometres) and to operators of storage facilities or LNG terminals on the other hand (whose sites are much more geographically concentrated). Also, within a given network, some types of pipelines and assets are more likely to emit methane than others. CRE therefore considers that applying the same general measures indiscriminately runs counter to the overall objective of efficiency and rapid reduction of methane emissions.

Also, while harmonisation of the reporting methodology at European level is an essential aspect of the Regulation, the level of detail of on-site measurements for all relevant sites (Regulation Article 12) should also be clarified as it raises questions about the operational feasibility and effectiveness of this rule.

CRE's proposal

CRE recommends leaving more flexibility to the national authority designated by the Member States to determine an action plan and prioritise measures according to their estimated cost in relation to the volume of methane emissions avoided. The rules for monitoring emissions, implemented at the level of transmission and distribution networks, must be pragmatic in terms of the frequency and scope of detection campaigns.