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COVER NOTE

From: The Irish Oireachtas

date of receipt: 5 August 2022

To: The President of the Council of the European Union

Subject: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on common rules for the internal markets in renewable and natural gases and in hydrogen

[15111/21 - COM(2021) 803 final]

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the internal markets for renewable and natural gases and for hydrogen (recast)

[15096/21 - COM(2021) 804 final]

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942

[15063/1/21 REV 1 - COM(2021) 805 final/2]

- Opinion on the application of the Principles of Subsidiarity and Proportionality

Delegations will find enclosed the opinion of the Irish Oireachtas.



**Tithe an
Oireachtais**
**Houses of the
Oireachtas**

An Comhchoiste um Chomhshaol agus Gníomhú ar son na hAeráide

An Cion Polaitiúil i ndáil leis na tograí atá sa Phacáiste de chuid an Aontais Eorpaigh maidir le Dícharbónú an Mhargaidh Hidrigine agus Gáis - COM(2021)803, COM(2021)804 agus COM(2021)805

Iúil 2022

Joint Committee on Environment and Climate Action

Political Contribution on proposals of the EU Hydrogen and Gas Market decarbonisation package - COM(2021)803, COM(2021)804 and COM(2021)805

July 2022

33/JCECA/09

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1. Introduction

1. The Oireachtas Joint Committee on Environment and Climate Action (“the Committee”) considers *COM(2021)803, 804 and 805* to be significantly important to Ireland and the EU.

2. Scrutiny by the Committee

2. The Committee first considered the proposal at its meeting on 15 February 2022. The Committee heard from officials from the Department of Environment, Climate and Communications at its meeting on 22 February 2022.

3. Decision of the Committee

3. On 22 February 2022, the Committee agreed to draft a political contribution and to forward a copy to Eamon Ryan T.D. Minister for Environment, Climate and Communications, Ursula von der Leyen, President of the European Commission, Roberta Metsola MEP, President of the European Parliament, and Charles Michel, President of the Council of the European Union.
4. The Committee further agreed that, in the interests of inter-parliamentary cooperation on EU matters, a copy of this report be forwarded to the appropriate Committee in the National Parliament of each EU Member State and to Ireland’s MEPs.

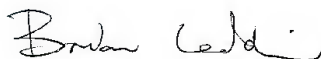
3. Opinion of the Joint Committee

5. Having considered the proposal in detail, the Committee makes the following observations: -
- a. The Committee notes that the three proposals form part of the EU's Hydrogen and Gas Market decarbonisation package. The Committee welcomes the proposals overall in terms of decarbonisation and facilitating a green hydrogen market in the EU. The Committee also welcomes that the proposals address methane leakage including from those countries outside the EU.
 - b. The Committee notes that proposal 803 and 804 provide for two categories of hydrogen, one being green hydrogen and one being low-carbon hydrogen. The Committee also notes that the latter category must embody 70% emissions reduction versus current levels. However, the Committee is concerned that the inclusion of such a category allows for the creation of hydrogen from fossil fuels and could take focus away from green hydrogen. The Committee also notes the lack of definition around low-carbon hydrogen which is expected in 2024.
 - c. The Committee notes that currently, hydrogen in Europe is largely made of natural gas without carbon capture and storage. The Committee is of the view that such a process should not continue into the future, and that any hydrogen strategy must avoid the generation of hydrogen through non-renewable means in so far as possible.
 - d. The Committee notes that COM(2021)805 provides for the phasing out of harmful industry practices such as venting and flaring. However, the Committee is concerned that this will be a significant challenge if the infrastructure surrounding gas and fossil fuels is kept in place or further expanded. Such infrastructure has the potential to lock in fossil fuels should low-carbon gas be provided for as set out in the proposal.

- e. The Committee is also concerned that the proposal provides for contracts for fossil fuels to be signed up to 2049. The Committee is of the view that allowing contracts to continue up to 2049 has the potential to impede meeting the target of net zero emissions by 2050, one year later, and create lock-in which could limit the potential and flexibility for some countries to transition fully to renewables at earlier dates.
- f. The Committee has concerns around methane emissions from fracking and notes that the proposals do not go as far as Ireland's national policy envisages around the importation of fracked gas and is concerned that this could further delay the ending of reliance on fossil fuels.

4. Recommendations of the Joint Committee

6. The Committee recommends that: -
- a. A much greater emphasis on green hydrogen and clearer and earlier prioritisation of infrastructure to specifically accelerate and support green hydrogen production and storage.
 - b. Stronger effort is made to examine and address the issue of storage and in relation to green and low-carbon hydrogen to ensure that the fossil fuel industry is not sustained in the hydrogen market over the longer term. Carbon capture should also be addressed but should not detract from a focus on green hydrogen production and storage.
 - c. The definitions around low-carbon hydrogen be teased out as soon as possible so that proposed legislation can adequately set out provisions for moving away from fossil fuels.
 - d. The Committee are concerned that allowing new contracts around fossil fuels to continue until 2049 could represent a risk to the achievement of EU Climate targets. As such, the deadline should be brought forward significantly in order to ensure countries are encouraged to aim for earlier transition to renewables.



Brian Leddin, T.D.
Cathaoirleach
25 July 2022

APPENDIX 1 - Membership

Membership of the Joint Committee on Environment and Climate Action



Richard Bruton TD
Fine Gael



Réada Cronin
Sinn Féin



Cormac Devlin TD
Fianna Fáil



Alan Farrell TD
Fine Gael



Brian Leddin TD (Cathaoirleach)
Green Party



Darren O'Rourke TD
Sinn Féin



Christopher O'Sullivan TD



Brid Smith TD



Jennifer Whitmore TD

Fianna Fáil

Solidarity-People Before Profit

Social Democrats



Senator Lynn Boylan
Sinn Féin



Senator Timmy Dooley
Fianna Fáil



Senator Alice-Mary Higgins
Independent



Senator John McGahon
Fine Gael



Senator Pauline O'Reilly
Green Party

APPENDIX 2 – Terms of Reference of the Committee

Functions of the Committee – derived from Standing Orders [DSO 95; SSO 71]

- (1) The Select Committee shall consider and, unless otherwise provided for in these Standing Orders or by order, to report to the Dáil on any matter relating to—
 - (a) legislation, policy, governance, expenditure and administration of—
 - (i) a Government Department, and
 - (ii) State bodies within the responsibility of such Department, and
 - (b) the performance of a non-State body in relation to an agreement for the provision of services that it has entered into with any such Government Department or State body.
- (2) The Select Committee appointed pursuant to this Standing Order shall also consider such other matters which—
 - (a) stand referred to the Committee by virtue of these Standing Orders or statute law, or
 - (b) shall be referred to the Committee by order of the Dáil.
- (3) The principal purpose of Committee consideration of matters of policy, governance, expenditure and administration under paragraph (1) shall be—
 - (a) for the accountability of the relevant Minister or Minister of State, and
 - (b) to assess the performance of the relevant Government Department or of a State body within the responsibility of the relevant Department, in delivering public services while achieving intended outcomes, including value for money.
- (4) The Select Committee appointed pursuant to this Standing Order shall not consider any matter relating to accounts audited by, or reports of, the Comptroller and Auditor General unless the Committee of Public Accounts—
 - (a) consents to such consideration, or
 - (b) has reported on such accounts or reports.
- (5) The Select Committee appointed pursuant to this Standing Order may be joined with a Select Committee appointed by Seanad Éireann to be and act as a Joint Committee for the purposes of paragraph (1) and such other purposes as may be specified in these Standing Orders or by order of the Dáil: provided that the Joint Committee shall not consider—
 - (a) the Committee Stage of a Bill,
 - (b) Estimates for Public Services, or

- (c) a proposal contained in a motion for the approval of an international agreement involving a charge upon public funds referred to the Committee by order of the Dáil.
- (6) Any report that the Joint Committee proposes to make shall, on adoption by the Joint Committee, be made to both Houses of the Oireachtas.
- (7) The Chairman of the Select Committee appointed pursuant to this Standing Order shall also be Chairman of the Joint Committee.
- (8) Where the Select Committee proposes to consider—
 - (a) EU draft legislative acts standing referred to the Select Committee under Standing Order 133, including the compliance of such acts with the principle of subsidiarity,
 - (b) other proposals for EU legislation and related policy issues, including programmes and guidelines prepared by the European Commission as a basis of possible legislative action,
 - (c) non-legislative documents published by any EU institution in relation to EU policy matters, or
 - (d) matters listed for consideration on the agenda for meetings of the relevant Council (of Ministers) of the European Union and the outcome of such meetings,

the following may be notified accordingly and shall have the right to attend and take part in such consideration without having a right to move motions or amendments or the right to vote:

- (i) members of the European Parliament elected from constituencies in Ireland,
 - (ii) members of the Irish delegation to the Parliamentary Assembly of the Council of Europe, and
 - (iii) at the invitation of the Committee, other members of the European Parliament.
- (9) The Select Committee appointed pursuant to this Standing Order may, in respect of any Ombudsman charged with oversight of public services within the policy remit of the relevant Department consider—
 - (a) such motions relating to the appointment of an Ombudsman as may be referred to the Committee, and
 - (b) such Ombudsman reports laid before either or both Houses of the Oireachtas as the Committee may select: Provided that the provisions of Standing Order 130 apply where the Select Committee has not considered the Ombudsman

report, or a portion or portions thereof, within two months (excluding Christmas, Easter or summer recess periods) of the report being laid before either or both Houses of the Oireachtas.

b. Scope and Context of Activities of Committees (as derived from Standing Orders) [DSO 94; SSO 70]

- (1) It shall be an instruction to each Select Committee that—
- (a) it may only consider such matters, engage in such activities, exercise such powers and discharge such functions as are specifically authorised under its orders of reference and under Standing Orders;
 - (b) such matters, activities, powers and functions shall be relevant to, and shall arise only in the context of, the preparation of a report to the Dáil;
 - (c) it shall not consider any matter which is being considered, or of which notice has been given of a proposal to consider, by the Joint Committee on Public Petitions in the exercise of its functions under Standing Order 125(1)1; and
 - (d) it shall refrain from inquiring into in public session or publishing confidential information regarding any matter if so requested, for stated reasons given in writing, by—
 - (i) a member of the Government or a Minister of State, or
 - (ii) the principal office-holder of a State body within the responsibility of a Government Department or
 - (iii) the principal office-holder of a non-State body which is partly funded by the State,

Provided that the Committee may appeal any such request made to the Ceann Comhairle, whose decision shall be final.

- (2) It shall be an instruction to all Select Committees to which Bills are referred that they shall ensure that not more than two Select Committees shall meet to consider a Bill on any given day, unless the Dáil, after due notice to the Business Committee by a Chairman of one of the Select Committees concerned, waives this instruction.