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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Energy
Subject:	Natural gas and hydrogen network planning

Delegations will find in the Annex a Presidency steering note including relevant compromise proposals regarding natural gas and hydrogen network planning.

Delegations are invited to send written comments to the Presidency ([redacted] and [redacted]) and to the Secretariat ([redacted]) by 7 **September 2023**.

Steering note – Natural gas and hydrogen network planning

The purpose of this note is to steer the debate in the Energy Working Group on how to address the natural gas and hydrogen network planning in the Hydrogen and Gas Package and to present a compromise proposal for the relevant articles.

1. Background

a. Commission's proposal

The Commission had proposed to maintain the existing approach on the natural gas network planning (**article 51** of Directive), articulated around the Ten-Year Network Development Plan (hereinafter TYNDP) and updated to the context of decarbonisation by reinforcing interlinkages to hydrogen and electricity sectors and the energy and climate targets and plans, while considering the potential decommissioning and repurposing of gas networks. These provisions refer only to the gas transmission network and gas transmission network operators (hereinafter TSOs).

In relation to the hydrogen sector, the Commission had proposed a new article on hydrogen network development reporting (**article 52** of Directive). These provisions give some flexibility to Member States to establish the periodicity for hydrogen network operators (hereinafter HNOs) to submit their overview of the hydrogen network infrastructure. Nevertheless, in order to accelerate the network planning process in frontrunner Member States, they may decide to apply the requirements of article 51 of the natural gas TYNDP to hydrogen network operators.

b. Council's general approach

The Council general approach maintained Commission's proposal for **article 51**, fine-tuning several provisions, in particular to facilitate integration of renewable and low-carbon gases.

In **article 52**, while keeping the Commission's approach, the Council expressed the need to speed up the submission of the overview of hydrogen network infrastructure by HNOs, within six months from the date of their certification or 12 months from the granting of a derogation according to articles 47 or 48. In addition, exchange of information with hydrogen network operators in neighbouring Member States was reinforced as a necessary milestone in the process of elaborating that overview. In addition, Member States may task a competent authority different to the National Regulatory Authorities (hereinafter NRAs) to examine the overview. Finally, as proposed by Commission, Member States may immediately decide to apply the requirements of the natural gas TYNDP process to hydrogen network operators. However, application of the TYNDP process would be mandatory where a system of regulated third party access is applied to hydrogen networks. In practical terms, it would mean extending the TYNDP process to hydrogen in every Member State by 2035 at the latest.

c. Parliament's position

The European Parliament has opted for creating in **article 51** a single network development plan for all sectors: electricity, hydrogen and natural gas. Therefore, article 51 would be applicable to both natural gas and hydrogen TSOs (since Parliament mandate decided to differentiate between hydrogen transmission and distribution levels). This single network development plan would be built on sector integration, the energy efficiency first principle and the prioritisation of hard-to-decarbonise sectors.

This approach resulted in deletion of **article 52.**

In addition to these two articles, the European Parliament proposed two additional articles: article 52a on local heating and cooling plans, and article 52b on distribution network development plans:

- **Article 52a** tasks Member States to ensure that their regional and local authorities prepare heating and cooling plans at local level in municipalities with population of at least 35,000

inhabitants. The content, consultation process, implementation and verification of such plans are described in paragraphs 2, 3 and 4 respectively.
Finally, new **article 52b** would introduce the obligation for natural gas and hydrogen distribution operators to submit a network development plan to the regulatory authority at least every four years. Member States may decide to exclude networks operators serving less than 35 000 connected customers. The article also covers the content of these plans, the consultation procedure and its approval/rejection by national regulatory authorities. This article puts strong emphasis on the process of decommissioning natural gas networks or repurposing them to hydrogen networks.

2. Possible approaches

Parliament's and Council's mandates on network planning are quite different, thus a creative exercise to achieve a compromise will be needed. The table below offers a view on the mandates and the potential compromise proposal to explore during trilogues.

	Natural gas transmission network planning	**Hydrogen [transmission] network planning**	**Heating and cooling plans at local level**	**Natural gas distribution network planning**	**Hydrogen [distribution] network planning**
General approach	Article 51	Article 52	No article	No article	Article 52
General approach (with TSO/DSO split)	Article 51	Article 51	No article	No article	Article 52
Parliament's mandate	Article 51 (common cross-sector TYNDP)	Article 51 (common cross-sector TYNDP)	Article 52a	Article 52b	Article 52b
Potential compromise proposal	Article 51 (reinforcing cooperation between sectors)	Article 51 (adapted to hydrogen and reinforcing cooperation between sectors)	Reference to RED and EED (in particular art 25 of the latter)	Article 52b (applicable to large-size repurposing or decommissioning)	Article 52 (may include art 47 and 48, no obligation of applying art 51 from 2035)

2.1 Natural gas transmission network planning

While reinforcing nexus between electricity, natural gas and hydrogen is highly desirable, creating a common TYNDP for electricity, natural gas and hydrogen seems to be challenging due to many reasons. Among them: electricity is out of the scope of this Directive, the different technical nature of the tasks performed by network operators in every sector, or the difficulties to align procedures and calendars where different operators are involved.

However, both institutions have a common view on keeping the Commission's approach to keep the nature TYNDP for natural gas while adapting some provisions to facilitate system integration and the process of decarbonisation towards climate neutrality.

2.2 Hydrogen [transmission] network planning

In the point 2.1, the challenges to create a common TYNDP have been underlined.

In the hypothetical case where it was decided to differentiate between hydrogen transmission and distribution networks and operators, it may result in applying article 51 to hydrogen transmission operators with the necessary adaptations (e.g. provisions related to the regulation on security of gas supply should not apply to hydrogen), and article 52 on network development reporting to hydrogen distribution networks. This is the approach proposed in the Presidency's steering note on the TSO/DSO debate circulated in July. This approach would ensure a coordinated cross-border development of hydrogen transmission networks while avoiding unnecessary administrative burdens for hydrogen distribution networks.

The creation of a TYNDP on hydrogen transmission networks may be done by using different legislative techniques: mirroring article 51 for hydrogen in a new article (potential article 51a), introducing a paragraph in article 51 extending its application to hydrogen transmission networks (adapting wording in paragraphs 52.6 and 52.7, i.e. lines 646 and 646a, in the general approach but deleting conditionality), or extending the application of article 51 to hydrogen by introducing "hydrogen transmission networks" and "transmission network operators", where relevant. The latter is the solution proposed.

2.3 Heating and cooling plans at local level

In certain regions of the EU where natural gas plays an important role in the supply of energy to district heating and cooling networks, the combined planning of both networks makes sense. However, in other regions of the EU, combined planning would not bring added value: the type of domestic heating or cooling equipment is even more important for the planning of the electricity sector than for natural gas, for instance in the case of the deployment of heat pumps. In addition, hydrogen is not expected to be a fuel supplied for heating purposes in a significant number of European households. Therefore, such provisions would be out of the scope of the Hydrogen and Gas Directive.

In fact, this article also presents numerous overlaps with different provisions included in the ongoing revisions of the Renewable Energy Directive (RED) and the Energy Efficiency Directive (EED). Article 25 of the latter, entitled 'heating and cooling assessment and planning', is the clearest example. It will introduce important obligations for Member States: to submit a comprehensive heating and cooling assessment as part of the NECPs as well as ensuring that regional and local authorities prepare local heating and cooling plans, at least in municipalities having a total population higher than 45,000 inhabitants. In view of the above, it is considered that the most consistent way of proceeding is to take into account 'heating and cooling assessment and planning' in articles 52 and 52b.

2.4 Natural gas distribution network planning

Application of Article 52b to every operator of natural gas distribution networks could have two negative effects. The first is a high administrative burden for many small natural gas distribution network operators (hereinafter DSOs) as well as for national regulatory authorities even though the European Parliament had introduced a 'de minimis' clause. The second negative impact may be the misleading signal that there could be a development of the natural gas network, a highly unlikely situation in the coming years. Therefore, the most advisable way to explore a compromise would be to limit the application of this article to those DSOs which are considering disconnecting a relevant number of customers from their networks, in order to decommission or repurpose these networks.

The 'heating and cooling assessments and plans' mentioned above, and developed according the Energy Efficiency Directive (EED), should be able to foresee the decrease in natural gas demand and the gradual decommissioning of natural gas distribution networks. Therefore, it is proposed to introduce an obligation for DSOs to develop a network plan where decommissioning of a significant part of their

distribution network is foreseen. That plan should be submitted to national authorities, which should approve or reject them, in addition to being able to request amendments.

This procedure would ensure consistency between 'heating and cooling assessments and plans' and the evolution of the natural gas distribution network, as well as facilitate the participation of stakeholders. Scrutiny of gas distribution network plans by national authorities would ensure consistency with the NECPs and allow for increased transparency on the decommissioning of natural gas distribution networks and their potential repurposing to hydrogen. Finally, Member States would be given flexibility to designate the relevant national authority for the approval of these plans, given their close relationship with national energy and climate policies.

Synergies between such plans and other articles of the general approach have been identified, in order to close any legal loophole and reinforce protection for final customers in the context of the phase-out of natural gas. In particular, these plans should facilitate consultation, information and protection to final consumers in the terms set out in article 11a of the general approach.

In turn, application of the provisions of Article 52b of the European Parliament's mandate to hydrogen distribution system operators would become meaningless once Article 52 applies to them (see below).

2.5 Hydrogen [distribution] network planning

In the hypothetical case where it was decided to differentiate between hydrogen transmission and distribution networks and operators, it would result in applying article 52 only to hydrogen distribution networks. In addition, this article may also apply to existing hydrogen networks (article 47) and hydrogen geographically confined networks (article 48) if they are not operating under a derogation of article 52.

It would also be necessary to delete paragraph 6 of the general approach (line 646), in order to avoid a mandatory extension of article 51 to such networks. Nevertheless, paragraph 7 would be maintained in order to allow Member States to apply stricter rules to hydrogen distribution operators.

3. Consultation to Member States

Based on the above-mentioned proposals and taking into account the differences between the Parliament's position and the Council's general approach, the Presidency would appreciate to receive feedback from Member States on the following compromise proposals.

	COM proposal	EP position	Council GA	Compromise proposal
	Article 51			
610	Article 51 Network development and powers to make investment decisions	Article 51 Network development and powers to make investment decisions	Article 51 Network development **for natural gas** and powers to make investment decisions	Article 51 Network development and powers to make investment decisions
	Article 51(1)			
611	1. At least every two years, all transmission system operators shall submit to the relevant regulatory authority a ten-year network development plan based on existing and forecast supply and demand after having consulted all relevant stakeholders. There shall be at least one single network development plan per Member State. Infrastructure operators, including LNG terminal operators, storage operators, distribution system operators as well as hydrogen, district heating infrastructure and electricity operators shall be required to provide and exchange all relevant information to the transmission system operators required for developing the single plan. That network development plan shall contain efficient measures	1. At least every two years, ***all*** transmission system operators***, hydrogen transmission network operators and electricity transmission system operator in accordance with Article 51 of Directive (EU) 2019/944*** shall submit to the relevant regulatory authority a ten-year network development plan based on existing and forecast supply and demand after having consulted all relevant stakeholders ***in accordance with paragraph 8a of this Article***. There shall be at least one single network development plan per Member State ***for natural gas, hydrogen and electricity. The single network development plan shall contain efficient measures in order to promote energy system integration in line with the 'system efficiency' principle, as defined in Article 2, point***	1. At least every two years, all transmission system operators shall submit to the relevant regulatory authority a ten-year network development plan based on existing and forecast supply and demand after having consulted all relevant stakeholders. There shall be at least one single network development plan per Member State. Infrastructure operators, including LNG terminal operators, storage operators, distribution system operators as well as hydrogen, district heating infrastructure and electricity operators shall be required to provide and exchange all relevant information to the	1. At least every two years, all transmission system operators ***and hydrogen transmission network operators*** shall submit to the relevant regulatory authority a ten-year network development plan based on existing and forecast supply and demand after having consulted all relevant stakeholders. There shall be at least one single network development plan per Member State ***for natural gas and at least one single network development plan per Member State for hydrogen.*** Infrastructure operators, including LNG terminal operators, storage operators, distribution system operators as well as hydrogen ***distribution network operators***, ***hydrogen terminal operators and hydrogen storage operators,*** district heating infrastructure and electricity

	in order to guarantee the adequacy of the natural gas system and the security of supply, in particular the compliance with the infrastructure standards under Regulation (EU) 2017/1938. The ten-year network development plan shall be published and accessible on a website.	***(3a) of Directive (EU) .../... and the energy efficiency first principle in accordance with the Commission Recommendation on Energy Efficiency First, contribute to climate neutrality and*** guarantee the adequacy of the natural gas system and the ***hydrogen system as well as the*** security of supply, in particular the compliance with the infrastructure standards under Regulation (EU) 2017/1938. The ten-year network development plan***, and the information which the transmission system operator and the hydrogen transmission network operator considered in developing the ten-year network development plan,*** shall be published and accessible on a website.	transmission system operators required for developing the single plan. That network development plan shall contain efficient measures in order to guarantee the adequacy of the natural gas system and the security of supply, in particular the compliance with the infrastructure standards under Regulation (EU) 2017/1938. The ten-year network development plan shall be published and accessible on a website.	operators shall be required to provide and exchange all relevant information to the transmission system operators required for developing the single plan. The network development plan ***for natural gas*** shall contain efficient measures in order to guarantee the adequacy of the natural gas system and the security of supply, in particular the compliance with the infrastructure standards under Regulation (EU) 2017/1938. The ten-year network development plans shall be published and accessible on a website.
	Article 51(2)			
612	2. The ten-year network development plan shall, in particular:	2. The ten-year network development plan shall, in particular:	2. The ten-year network development plan shall, in particular:	2. The ten-year network development plan shall, in particular:
	Article 51(2), point (a)			

613	(a) contain the main infrastructure that needs to be built or upgraded over the next ten years;	(a) contain the main infrastructure that needs to be built or upgraded over the next ten years***, taking into account infrastructure developed by distribution system operators to enable reverse flows to the transmission network***;	(a) contain **comprehensive and detailed information on** the main infrastructure that needs to be built or upgraded over the next ten years **taking into account any infrastructure needed for connecting renewable and low-carbon gas installations and including infrastructure developed to enable reverse flows to the transmission network**;	(a) contain **comprehensive and detailed information on** the main infrastructure that needs to be built or upgraded over the next ten years **taking into account any infrastructure needed for connecting renewable and low-carbon gas installations and including infrastructure developed to enable reverse flows to the transmission network**;
	Article 51(2), point (b)			
614	(b) contain all the investments already decided and identify new investments which have to be executed in the next three years;	(b) contain all the investments ***and demand-side solutions not requiring new infrastructure investments*** already decided and identify new investments ***and demand-side solutions not requiring new infrastructure investments*** which have to be executed in the next three years***, including investments with regard to the decommissioning and repurposing of infrastructure***;	(b) contain all the investments already decided and identify new investments which have to be executed in the next three years;	(b) contain all the investments already decided and identify new investments ***and demand-side solutions not requiring new infrastructure investments*** which have to be executed in the next three years;
	Article 51(2), point (c)			
615	(c) include information on infrastructure that can or will be decommissioned; and	(c) include information on infrastructure that can or will be decommissioned ***or repurposed for the transmission of hydrogen, in particular to rapidly deliver hydrogen***	(c) include **comprehensive and detailed** information on infrastructure that can or will be decommissioned; ~~and~~	(c) include **comprehensive and detailed** information on infrastructure that can or will be decommissioned; ~~and~~

		to end-users in hard-to-decarbonise sectors with the highest greenhouse gas abatement potential per tonne of consumed hydrogen and where no other more energy and cost efficient options are available;		
615a		***(ca) identify the most relevant and cost-efficient network connections and network reinforcements for renewable gas, including renewable hydrogen;***		***(ca) identify the most relevant and cost-efficient network connections and network reinforcements for the integration of renewable gases;***
	Article 51(2), point (d)			
616	(d) provide for a time frame for all investment and decommissioning projects;	(d) provide for a time frame for all investment and decommissioning ***or*** projects ***and all demand-side solutions not requiring new infrastructure investments***;	(d) provide for a time frame for all investment and decommissioning projects;	(d) provide for a time frame for all investment and decommissioning projects;
616a		***(da) include information on capacity needs, both in volume and duration, as negotiated between network users and hydrogen transmission network operators as well as the predicted supply and demand for hydrogen, specifically taking into account end-users in hard-to-decarbonise sectors, which have the highest greenhouse***		

		gas emissions abatement potential per tonne of consumed hydrogen and where no other more energy and cost efficient options are available;		
616b		***(db) identify investment gaps, in particular with respect to cross-border capacities, that are needed for the establishment of an integrated Union hydrogen market enabling hydrogen to move freely across borders, taking into account the hydrogen storage development and the integration of hydrogen imports;***		
	Article 51(2), point (e)			
617	(e) be based on a joint scenario framework developed between the relevant infrastructure operators, including relevant distribution system operators, of at least gas and electricity;	(e) be based on a joint scenario framework developed between the relevant infrastructure operators, including relevant distribution system operators, of at least gas***, including hydrogen, electricity and district heating and the regulatory authorities, which shall incorporate reasonable assumptions for the evolution of production, consumption and trade of energy and shall be developed with input from all relevant stakeholders as referred to in paragraph 8a of this Article; evolution of biomethane production incorporated in the joint scenario***	(e) be based on a joint scenario framework developed between the relevant infrastructure operators, including relevant distribution system operators, of at least **natural** gas and electricity**. Such scenarios shall be based on reasonable assumptions about the evolution of the production, supply, consumption and exchanges with other countries**;	(e) be based on a joint scenario framework developed between the relevant infrastructure operators, including relevant distribution system operators, of at least **natural gas, *hydrogen*** and electricity**. Such scenarios shall be based on reasonable assumptions about the evolution of the production, supply, consumption and exchanges with other countries**;

		framework shall be based on the regional maps referred to in Article 17a(1) of Regulation [recast Gas Regulation as proposed in COM(2021)xxx]; the joint scenario framework shall include a long-term perspective, with intermediate steps, until 2050 in line with point (g) of this paragraph and take into account the joint scenario framework from the Union-wide ten-year network development plan;		
617a		***(ea) be developed in a close cooperation between gas, hydrogen and electricity operators on the basis on identified coordinated priority corridors for renewable electricity and renewable gas in accordance with the joint scenario framework developed under point (e);***		
	Article 51(2), point (f)			
618	(f) be consistent with the results of the common and national risk assessments under Article 7 of Regulation 2017/1938;	(f) be consistent with the results of the common and national risk assessments under Article 7 of Regulation 2017/1938;	(f) be consistent with the results of the common and national risk assessments under Article 7 of Regulation 2017/1938;	(f) be consistent with the results of the common and national risk assessments under Article 7 of Regulation 2017/1938***, where relevant***;
	Article 51(2), point (g)			
	(g) be in line with the integrated national energy and climate plan and	(g) ***contribute to achieving*** the integrated national energy and	(g) be in line with the integrated national energy	(g) be in line with the integrated national energy and climate plan and

619	its updates, and with the integrated national energy climate reports submitted in accordance with Regulation (EU) 2018/1999 and support the climate-neutrality objective set out in Article 2(1), of Regulation (EU) 2021/1119.	climate plan and its updates, the integrated national energy climate reports ***and long-term strategies*** submitted in accordance with Regulation (EU) 2018/1999 and support the ***GHG emissions reductions and*** climate-neutrality ***objectives*** set out in ***Articles 2(1) and 4(1)*** of Regulation (EU) 2021/1119 ***and relevant national decarbonisation objectives;***	and climate plan and its updates, and with the integrated national energy climate reports submitted in accordance with Regulation (EU) 2018/1999 and support the climate-neutrality objective set out in Article 2(1), of Regulation (EU) 2021/1119.	its updates, and with the integrated national energy climate reports submitted in accordance with Regulation (EU) 2018/1999 and support the climate-neutrality objective set out in Article 2(1), of Regulation (EU) 2021/1119.
619a		***(ga) be in line with and contribute to the latest Union energy and climate objectives for 2030 as defined under targets agreed in Directive (EU) .../... , Article 26 of the Directive (EU) .../... and in Directive (EU) 2018/2011 [amended RED];***		
619b		***(gb) be consistent with the Union-wide ten-year network development plan referred to in Article 29 of Regulation ... [recast Gas Regulation as proposed in COM(2021)xxx].***		(gb) be consistent with the Union-wide ten-year network development plan ***for natural gas*** referred to in Article 29 of Regulation ... [recast Gas Regulation as proposed in COM(2021)xxx] ***and the Union-wide ten-year network development plan for hydrogen referred to in Article 43 of Regulation ... [recast Gas Regulation as proposed in COM(2021)xxx], as applicable.***

619c		***(gc) take into account the distribution network development plans referred to in Article 52b.***		***(gc) take into account the hydrogen distribution network development reporting referred to in Article 52 and the natural gas distribution network plans referred to in Article 52b.***
	Article 51(3)			
620	3. When elaborating the ten-year network development plan, the transmission system operator shall fully take into account the potential for alternatives to system expansion, for instance the use of demand response, as well as expected consumption following the application of the energy efficiency first principle, trade with other countries and the Union-wide network development plan. The transmission system operator shall assess how to address, where possible, a need across electricity and gases systems including information on the optimal location and size of energy storage and power to gas assets.	3. When elaborating the ten-year network development plan, the transmission system operator ***and the hydrogen transmission network operator*** shall fully take into account the potential for alternatives to system expansion, ***in particular decommissioning or repurposing of infrastructure*** as well as ***demand-side solutions not requiring new natural gas or hydrogen infrastructure, and*** expected consumption following the application of the energy efficiency first principle, trade with other countries and the Union-wide network development plan. ***The prioritisation of the end-users in hard-to-decarbonise sectors, which have the highest greenhouse gas emissions abatement potential per tonne of consumed hydrogen and where no other more energy and cost efficient options are available, shall be***	3. When elaborating the ten-year network development plan, the transmission system operator shall fully take into account the potential for alternatives to system expansion, for instance the use of demand response, as well as expected consumption following the application of the energy efficiency first principle **and demand reduction targets**, trade with other countries and the Union-wide network development plan. **In view of the energy system integration,** the transmission system operator shall assess how to address, where possible, a need across electricity and gases systems including information on the	3. When elaborating the ten-year network development plans, the transmission system operator ***and the hydrogen transmission network operator*** shall fully take into account the potential for alternatives to system expansion, for instance the use of demand response, as well as expected consumption following the application of the energy efficiency first principle, trade with other countries and the Union-wide network development plan. **In view of the energy system integration,** the transmission system operator ***and the hydrogen transmission network operator*** shall assess how to address, where possible, a need across electricity and gases systems including information on the optimal location and size of energy storage and power to gas assets.

		considered. The transmission system operator ***and hydrogen transmission network operator*** shall assess how to address, where possible, a need across electricity***, heat and gas*** systems including information on the optimal location and size of energy storage, power to gas assets ***and hydrogen-ready plants as well as planning for co-location of future production and use sites, where possible. The hydrogen transmission network operator shall include information on the location of end-users in hard-to-decarbonise sectors with the highest greenhouse gas abatement potential per tonne of consumed hydrogen. The transmission system operator and the hydrogen transmission network operator shall make reasonable assumptions about the evolution of production, supply and consumption of gas and electricity.***	optimal location and size of energy storage and power to gas assets.	
	Article 51(4)			
621	4. The regulatory authority shall consult all actual or potential system users on the ten-year network development plan in an open and transparent manner. Persons or undertakings claiming to be	4. The regulatory authority shall consult all actual or potential system users ***and all relevant stakeholders in accordance with paragraph 8a,*** on the ten-year network development plan in an open and transparent	4. The regulatory authority shall consult all actual or potential system users on the ten-year network development plan in an open and transparent manner.	4. The regulatory authority shall consult all actual or potential system users on the ten-year network development plan in an open and transparent manner. Persons or undertakings claiming to be potential

	potential system users may be required to substantiate such claims. The regulatory authority shall publish the result of the consultation process, in particular possible needs for investments.	manner. Persons or undertakings claiming to be potential system users may be required to substantiate such claims. The regulatory authority shall publish the result of the consultation process, ***including*** possible needs for investments***, decommissioning of assets and demand-side solutions not requiring new infrastructure investments***.	Persons or undertakings claiming to be potential system users may be required to substantiate such claims. The regulatory authority shall publish the result of the consultation process, in particular possible needs for investments.	system users may be required to substantiate such claims. The regulatory authority shall publish the result of the consultation process, in particular possible needs for investments.
	Article 51(5), first subparagraph			
622	5. The regulatory authority shall examine whether the ten-year network development plan covers all investment needs identified during the consultation process, and whether it is consistent with the most recent Union wide simulation of disruption scenarios carried out by the ENTSO for Gas under Article 7 of Regulation (EU) 2017/1938, with the regional and national risk assessments and the non-binding Union -wide ten-year network development plan (Union -wide network development plan) referred to in Article 30(1), point (b), of Regulation (EU) 2019/943. If any doubt arises as to the consistency with the Union -wide network development plan, the regulatory	5. The regulatory authority shall examine whether the ten-year network development plan ***complies with paragraphs 1, 2 and 3,*** covers all investment needs identified during the consultation process, ***promotes energy system integration and is in line with the energy efficiency first principle, the integrated national energy and climate plan and its updates, with the integrated national energy climate reports and long-term strategies submitted in accordance with Regulation (EU) 2018/1999,*** and whether it is consistent with the most recent Union wide simulation of disruption scenarios carried out by the ***ENTSOG*** under Article 7 of Regulation (EU) 2017/1938, with the regional and national risk assessments***, the Union-***	5. The regulatory authority shall examine whether the ten-year network development plan covers all investment needs identified during the consultation process, and whether it is consistent with the most recent Union wide simulation of disruption scenarios carried out by the ENTSO for Gas under Article 7 of Regulation (EU) 2017/1938, with the regional and national risk assessments and the non-binding Union -wide ten-year network development ~~plan~~**plans** (Union -wide network development ~~plan~~**plans**) referred to in	5. The regulatory authority shall examine whether the ten-year network development plan covers all investment needs identified during the consultation process, and whether it is consistent with the most recent Union wide simulation of disruption scenarios carried out by the ENTSO for Gas under Article 7 of Regulation (EU) 2017/1938, with the regional and national risk assessments and the non-binding Union -wide ten-year network development ~~plan~~**plans** (Union -wide network development ~~plan~~**plans**) referred to in Article 30(1), point (b), of Regulation (EU) 2019/943**, Article 29 of [the recast Gas regulation as proposed in COM(2021)804] and Article 43 of [the recast Gas**

	authority shall consult ACER. The regulatory authority may require the transmission system operator to amend its ten-year network development plan.	***wide ten-year network development plan referred to in Article 29 of Regulation ... [recast Gas Regulation as proposed in COM(2021)] and*** the non-binding ***Union-wide*** ten-year network development plan (Union - wide network development plan) referred to in Article 30(1), point (b), of Regulation (EU) 2019/943. If any doubt arises as to the consistency with the Union -wide network development plan, the regulatory authority shall consult ▌ ACER. ***The European Scientific Advisory Board on Climate Change may give an opinion on the draft ten-year network development plan. The*** regulatory authority ***shall publish a decision, including a report, approving, amending or requiring*** the transmission system operator ***or the hydrogen transmission network operator*** to amend its ten-year network development plan ***to resolve any identified inconsistencies with paragraphs 1, 2 and 3***.	Article 30(1), point (b), of Regulation (EU) 2019/943**, Article 29 of [the recast Gas regulation as proposed in COM(2021)804] and Article 43 of [the recast Gas regulation as proposed in COM(2021)804]** . If any doubt arises as to the consistency with the Union - wide network development plan, the regulatory authority shall consult ACER. The regulatory authority may require the transmission system operator to amend its ten-year network development plan.	**regulation as proposed in COM(2021)804]** . If any doubt arises as to the consistency with the Union - wide network development plan, the regulatory authority shall consult ACER. The regulatory authority may require the transmission system operator to amend its ten-year network development plan.
	Article 51(5), second subparagraph			
623	The competent national authorities shall examine the consistency of the ten-year network development plan with the national energy and climate	▌	The competent national authorities shall examine the consistency of the ten-year network development plan	The competent national authorities shall examine the consistency of the ten-year network development plan with the **climate-neutrality objective**

	plan and its updates and with the integrated national energy climate reports submitted in accordance with Regulation (EU) 2018/1999.		with the climate-neutrality **objective set out in Article 2(1), of Regulation (EU) 2021/1119,** national energy and climate plan and its updates and with the integrated national energy climate reports submitted in accordance with Regulation (EU) 2018/1999 **and, in case of inconsistency, may provide the regulatory authority a substantiated opinion setting out the inconsistency, to be taken duly into account.**	**set out in Article 2(1), of Regulation (EU) 2021/1119,** national energy and climate plan and its updates and with the integrated national energy climate reports submitted in accordance with Regulation (EU) 2018/1999 **and, in case of inconsistency, may provide the regulatory authority a substantiated opinion setting out the inconsistency, to be taken duly into account.**
	Article 51(6)			
624	6. The regulatory authority shall monitor and evaluate the implementation of the ten-year network development plan.	6. The regulatory authority shall monitor and evaluate the implementation of the ten-year network development plan. ***Such monitoring and evaluation shall be made publicly available.***	6. The regulatory authority shall monitor and evaluate the implementation of the ten-year network development plan.	6. The regulatory authority shall monitor and evaluate the implementation of the ten-year network development plan.
624a		***6a. The regulatory authority shall take the examination of network development plan for hydrogen into account in its approval of dedicated charges within the meaning of Article 4 of [recast Gas Regulation as proposed in COM(2021)xxx].***		
	Article 51(7), first subparagraph			

625	7. In circumstances where the independent system operator or independent transmission operator, other than for overriding reasons beyond its control, does not execute an investment, which, under the ten-year network development plan, was to be executed in the following three years, Member States shall ensure that the regulatory authority is required to take at least one of the following measures to ensure that the investment in question is made if such investment is still relevant on the basis of the most recent ten-year network development plan:	7. In circumstances where the independent system operator***, independent transmission operator or the hydrogen transmission network operator is unbundled in accordance with the rules applicable to the operator concerned*** , other than for overriding reasons beyond its control, does not execute an investment ***in accordance with paragraph 2, point (b),*** which, under the ten-year network development plan, was to be executed in the following three years, Member States shall ensure that the regulatory authority is required to take at least one of the following measures to ensure that the investment in question is made if such investment is still relevant on the basis of the most recent ten-year network development plan:	7. In circumstances where the independent system operator or independent transmission operator, other than for overriding reasons beyond its control, does not execute an investment, which, under the ten-year network development plan, was to be executed in the following three years, Member States shall ensure that the regulatory authority is required to take at least one of the following measures to ensure that the investment in question is made if such investment is still relevant on the basis of the most recent ten-year network development plan:	7. In circumstances where the independent system operator or independent transmission operator, ***or the integrated hydrogen transmission network operator or independent hydrogen transmission network operator,*** other than for overriding reasons beyond its control, does not execute an investment, which, under the ten-year network development plan, was to be executed in the following three years, Member States shall ensure that the regulatory authority is required to take at least one of the following measures to ensure that the investment in question is made if such investment is still relevant on the basis of the most recent ten-year network development plan:
	Article 51(7), first subparagraph, point (a)			
626	(a) to require the transmission system operator to execute the investments in question;	(a) to require the transmission system operator ***or the hydrogen transmission network operator*** to execute the investments in question;	(a) to require the transmission system operator to execute the investments in question;	(a) to require the transmission system operator ***or the hydrogen transmission network operator*** to execute the investments in question;
	Article 51(7), first subparagraph, point (b)			
527	(b) to organise a tender procedure open to any investors for the investment in question;	(b) to organise a tender procedure open to any investors for the investment in question;	(b) to organise a tender procedure open to any investors for the investment in question;	(b) to organise a tender procedure open to any investors for the investment in question;

	Article 51(7), first subparagraph, point (c)			
628	(c) to oblige the transmission system operator to accept a capital increase to finance the necessary investments and allow independent investors to participate in the capital.	(c) to oblige the transmission system operator ***or the hydrogen transmission network operator*** to accept a capital increase to finance the necessary investments and allow independent investors to participate in the capital.	(c) to oblige the transmission system operator to accept a capital increase to finance the necessary investments and allow independent investors to participate in the capital.	(c) to oblige the transmission system operator ***or the hydrogen transmission network operator*** to accept a capital increase to finance the necessary investments and allow independent investors to participate in the capital.
	Article 51(7), second subparagraph			
629	Where the regulatory authority has made use of its powers under point (b) the first subparagraph, it may oblige the transmission system operator to agree to one or more of the following:	Where the regulatory authority has made use of its powers under point (b) the first subparagraph, it may oblige the transmission system operator ***or the hydrogen transmission network operator*** to agree to one or more of the following:	Where the regulatory authority has made use of its powers under point (b) the first subparagraph, it may oblige the transmission system operator to agree to one or more of the following:	Where the regulatory authority has made use of its powers under point (b) the first subparagraph, it may oblige the transmission system operator ***or the hydrogen transmission network operator*** to agree to one or more of the following:
	Article 51(7), second subparagraph, point (a)			
630	(a) financing by any third party;	(a) financing by any third party;	(a) financing by any third party;	(a) financing by any third party;
	Article 51(7), second subparagraph, point (b)			
631	(b) construction by any third party;	(b) construction***, repurposing or decommissioning*** by any third party;	(b) construction by any third party;	(b) construction***, repurposing or decommissioning*** by any third party;
	Article 51(7), second subparagraph, point (c)			
632	(c) building the new assets concerned itself;	(c) building the new assets ***or decommission or repurpose existing assets*** concerned itself;	(c) building the new assets concerned itself;	(c) building the new assets concerned itself;
	Article 51(7), second subparagraph, point (d)			

633	(d) operating the new assets concerned itself.	(d) operating the new assets concerned itself.	(d) operating the new assets concerned itself.	(d) operating the new assets concerned itself.
	Article 51(7), third subparagraph			
634	The transmission system operator shall provide the investors with all information needed to realise the investment, shall connect new assets to the transmission network and shall generally make its best efforts to facilitate the implementation of the investment project.	The transmission system operator ***or the hydrogen transmission network operator*** shall provide the investors with all information needed to realise the investment, shall connect new assets to the transmission network and shall generally make its best efforts to facilitate the implementation of the investment project.	The transmission system operator shall provide the investors with all information needed to realise the investment, shall connect new assets to the transmission network and shall generally make its best efforts to facilitate the implementation of the investment project.	The transmission system operator ***or the hydrogen transmission network operator*** shall provide the investors with all information needed to realise the investment, shall connect new assets to the transmission network ***or the hydrogen transmission network*** and shall generally make its best efforts to facilitate the implementation of the investment project.
	Article 51(7), fourth subparagraph			
635	The relevant financial arrangements shall be subject to approval by the regulatory authority.	The relevant financial arrangements shall be subject to approval by the regulatory authority.	The relevant financial arrangements shall be subject to approval by the regulatory authority.	The relevant financial arrangements shall be subject to approval by the regulatory authority.
	Article 51(8)			
636	8. Where the regulatory authority has made use of its powers under paragraph 7, the relevant tariff regulations shall cover the costs of the investments in question.	8. Where the regulatory authority has made use of its powers under paragraph 7, the relevant tariff regulations shall cover the costs of the investments in question.	8. Where the regulatory authority has made use of its powers under paragraph 7, the relevant tariff regulations shall cover the costs of the investments in question.	8. Where the regulatory authority has made use of its powers under paragraph 7, the relevant tariff regulations shall cover the costs of the investments in question.
		8a. Without prejudice to other consultation or transparency		

636a		***provisions laid down in Union law, including this Directive and Regulation [recast Gas Regulation as proposed in COM(2021)xxx], or national law, when engaging in stakeholder consultations referred to in paragraph 1, paragraph 2, point (e) and paragraph 4 of this Article, the transmission system operator, the hydrogen transmission network operator and the regulatory authority shall comply with the following:***		
636b		***(a) the consultations shall be effective and extensive and shall take place at an early stage prior to the development of the ten-year network development plan in an open, inclusive and transparent manner; the participation shall be voluntary and all relevant stakeholders shall be invited to participate, including the distribution system operator and hydrogen distribution network operator, associations involved in electricity, gas and hydrogen markets, heating and cooling, supply and production undertakings, independent aggregators, demand-response operators, organisations involved in energy efficiency***		

		solutions, energy consumer associations, civil society representatives, research organisations and universities, where appropriate;		
636c		***(b) as a derogation from point (a), infrastructure operators, including LNG terminal operators, storage operators, hydrogen storage and terminal operators, distribution system operators, hydrogen distribution network operators as well as district heating infrastructure and electricity operators shall be required to provide and exchange all relevant information to the transmission system operators and the hydrogen transmission network operators required for developing the single plan; end-users in hard-to-decarbonise sectors with the highest greenhouse gas abatement potential per tonne of consumed hydrogen where no other more energy and cost efficient options are available shall be required to provide and exchange all relevant information to the hydrogen transmission network operators; their views shall be fully taken into account***		

		without prejudice to paragraphs 1, 2 and 3;		
636d		***(c) all official documents related to the consultations and documents used for development of the draft plan and the final plan shall be made public while taking into consideration commercially sensitive information and data protection;***		
636e		***(d) before the transmission system operator and the hydrogen transmission network operator submit the ten-year network development plan to the regulatory authority for approval, and in case the regulatory authority issues its decision approving or requiring amendments to the plan, the transmission system operator, the hydrogen transmission network operator as the case may be, shall be able to duly justify all instances where observations have not been taken into account, or have only partially been taken into account;***		
		(e) to ensure early and effective participation, the transmission		

636f		***system operator shall publish its draft network development plan in a timely adequate manner prior to the submission to the regulatory authority, for comments by the stakeholders referred to in point (a).***		
	Article 52			
637	Article 52 Hydrogen network development reporting	*deleted*	Article 52 Hydrogen network development reporting	Article 52 Hydrogen ***distribution*** network development reporting
	Article 52(1)			
638	1. Hydrogen network operators shall submit to the regulatory authority, at regular intervals as determined by that authority, an overview of the hydrogen network infrastructure they aim to develop. That overview shall in particular:	*deleted*	1. Hydrogen network operators shall submit to the regulatory authority, ~~**at regular intervals as determined by that authority**~~**every two years**, an overview of the hydrogen network infrastructure they aim to develop**. The first overview shall be submitted within six months of the certification of the hydrogen network operator pursuant to Article 65 of this Directive and Article 13 of [recast Gas Regulation as proposed in COM(2021) 804]], or within 12 months of receiving a derogation pursuant to Articles 47 or 48, whichever is**	1. Hydrogen ***distribution*** network operators shall submit to the regulatory authority, at regular intervals as determined by that authority, an overview of the hydrogen network infrastructure they aim to develop. ~~**The first overview shall be submitted within six months of the certification of the hydrogen network operator pursuant to Article 65 of this Directive and Article 13 of [recast Gas Regulation as proposed in COM(2021) 804]], or within 12 months of receiving a derogation pursuant to Articles 47 or 48, whichever is earlier. For hydrogen network operators existing at the entry into force of this Directive, the first overview shall be submitted within six months of the entry into**~~

			earlier. For hydrogen network operators existing at the entry into force of this Directive, the first overview shall be submitted within six months of the entry into force of this Directive. That overview shall in particular:	~~**force of this Directive.**~~ That overview shall in particular:
	Article 52(1), point (a)			
639	(a) include information on capacity needs, both in volume and duration, as negotiated between network users and hydrogen network operators;	*deleted*	(a) include information on capacity needs, both in volume and duration, as negotiated between **hydrogen** network users and hydrogen network operators**, as well as on the location of potential future hard-to-decarbonise end-users of the hydrogen network and hydrogen supply**;	(a) include information on capacity needs, both in volume and duration, as negotiated between **hydrogen** ***distribution*** network users and hydrogen ***distribution*** network operators**, as well as on the location of potential future hard-to-decarbonise end-users of the hydrogen *distribution* network and hydrogen supply *with a view to promote the use of renewable and low-carbon hydrogen in hard-to-decarbonise sectors***;
				(aa) build on ***the heating and cooling plans established pursuant to Art. 25(6) of the Energy Efficiency Directive (EU) …/…*** and assess how the principle of energy efficiency is respected when considering hydrogen distribution network expansion in sectors where more

				energy efficient alternatives are available;
	Article 52(1), point (b)			
640	(b) include information on the extent to which repurposed natural gas pipelines will be used for the transport of hydrogen;	*deleted*	*(b)* include information on the extent to which repurposed natural gas pipelines will be used for the transport of hydrogen;	***(b) include information on the extent to which repurposed natural gas pipelines will be used for the transport of hydrogen and the extent to which this repurposing is required to fulfil the capacity needs established in accordance with point (a);***
	Article 52(1), point (c)			
641	(c) be in line with the integrated national energy and climate plan and its updates, and with the integrated national energy and climate reports submitted in accordance with Regulation (EU) 2018/1999 and support the climate-neutrality objective set out in Article 2(1) of Regulation (EU) 2021/1119.	*deleted*	*(c)* be in line with the integrated national energy and climate plan and its updates, and with the integrated national energy and climate reports submitted in accordance with Regulation (EU) 2018/1999 and support the climate-neutrality objective set out in Article 2(1) of Regulation (EU) 2021/1119.	*(c)* be in line with the integrated national energy and climate plan and its updates, and with the integrated national energy and climate reports submitted in accordance with Regulation (EU) 2018/1999 and support the climate-neutrality objective set out in Article 2(1) of Regulation (EU) 2021/1119.
	Article 52(1), point (d)			
641a			**(d) the information exchanged with hydrogen network operators in neighbouring Member States pursuant to paragraph 2.**	
	Article 52(2)			

642	2. Hydrogen storage and terminal operators shall provide and exchange all relevant information required for developing the overview with the hydrogen network operators. Hydrogen network operators shall exchange all relevant information required for developing the overview with other hydrogen network operators.	*deleted*	2. Hydrogen storage and **hydrogen** terminal operators shall provide and exchange all relevant information required for developing the overview with the hydrogen network operators. Hydrogen network operators shall exchange all relevant information required for developing the overview with other hydrogen network operators**, including hydrogen network operators in neighbouring Member States.**	2. ~~***Hydrogen storage and hydrogen terminal operators shall provide and exchange all relevant information required for developing the overview with the hydrogen distribution network operators***~~. Hydrogen ***distribution*** network operators shall exchange all relevant information required for developing the overview with other hydrogen network operators**, including hydrogen network operators in neighbouring Member States.**
	Article 52(3)			
643	3. The regulatory authority shall examine the overview. It shall take the overall energy-economic necessity of the hydrogen network into account in this examination as well as the joint scenario framework developed under Article 51 (2), point e).	*deleted*	3. The regulatory authority shall examine the overview **and make recommendations for amendments to the overview by the hydrogen network operator**. It shall take the overall energy-economic necessity of the hydrogen network into account in this examination as well as the joint scenario framework developed under Article 51 (2), point e). **With regard to overviews submitted in relation to hydrogen networks benefitting from a**	3. The regulatory authority shall examine the overview **and *may* make recommendations for amendments to the overview by the hydrogen network operator**. It shall take the overall energy-economic necessity of the hydrogen network into account in this examination as well as the joint scenario framework developed under Article 51 (2), point e). ~~**With regard to overviews submitted in relation to hydrogen networks benefitting from a derogation pursuant to Article 47 or Article 48, the regulatory authority may abstain from**~~

			derogation pursuant to Article 47 or Article 48, the regulatory authority may abstain from examining the overview and making recommendations for amendments.	~~**examining the overview and making recommendations for amendments.**~~
	Article 52(4)			
644	4. The regulatory authority shall take the examination of the overview into account in its approval of dedicated charges within the meaning of Article 4 of [recast Gas Regulation as proposed in COM(2021)xxx].	*deleted*	4. The regulatory authority shall take the examination of the overview into account in its approval of dedicated charges within the meaning of Article 4 of [recast Gas Regulation as proposed in COM(2021)~~xxx~~ **804**].	4. The regulatory authority shall take the examination of the overview into account in its approval of dedicated charges within the meaning of Article 4 of [recast Gas Regulation as proposed in COM(2021)804].
	Article 52(5)			
645	5. Hydrogen network operators shall publish on a regular basis a joint report on the development of the hydrogen system based on the overview submitted to the regulatory authority. They shall take the examination of the regulatory authority under paragraph 3 into account.	*deleted*	5. Hydrogen network operators shall publish **every two years** ~~**on a regular basis**~~ a joint report on the development of the hydrogen system based on the overview submitted to the regulatory authority. They shall take the examination **and recommendations** of the regulatory authority under paragraph 3 into account. **The regulatory authority may**	5. Hydrogen ***distribution*** network operators shall publish on a regular basis a joint report on the development of the hydrogen system based on the overview submitted to the regulatory authority. They shall take the examination **and recommendations** of the regulatory authority under paragraph 3 into account. **The regulatory authority may provide an opinion on the report.**

			provide an opinion on the report.	
645a			**5a. Until 31 January 2035, and without prejudice to the powers of the regulatory authority to supervise grid access rules, Member States may task another competent authority to examine the overview and to make recommendations for amendments to the overview by the hydrogen network operator to ensure consistency with the integrated national energy and climate plans and its updates.**	**5a. Until 31 January [203x], and without prejudice to the powers of the regulatory authority to supervise grid access rules, Member States may task another competent authority to examine the overview and to make recommendations for amendments to the overview by the hydrogen *distribution* network operator to ensure consistency with the integrated national energy and climate plans and its updates.**
	Article 52(6)			
646	6. Member States may decide to apply the requirements pursuant to Article 51 to hydrogen network operators.	*deleted*	6. **Where** Member States ~~**may decide to**~~ **apply a system of regulated third party access to hydrogen networks in accordance with paragraph 1 of Article 31, Member States shall** apply the requirements pursuant to Article 51 to hydrogen network operators **with the exception of those requirements related to**	*delete*

			Regulation (EU) 2017/1938. Where this is the case, the regulatory authority shall also examine whether the ten-year network development plan submited by hydrogen network operators is consistent with the Union-wide ten-year network development plan for hydrogen referred to in Article 43 of the [recast Gas Regulation].	
646a			**7. Instead of applying this Article, Member States may decide to apply the requirements set out in Article 51 to hydrogen network operators as of [the entry into force of this Directive].**	**7. Instead of applying this Article, Member States may decide to apply the requirements set out in Article 51 to hydrogen *distribution* network operators as of [the entry into force of this Directive].**

646b		***Article 52a*** ***Local heating and cooling plans***		***Reference will be made to the local heating and cooling plans in the EED in art. 52b. It is therefore proposed to delete art. 52a in this Directive.***

646q		***Article 52b*** ***Distribution network development plans***		***Article 52b*** ***Network plans for natural gas distribution system operators***
646r		***1. All distribution system operators or hydrogen distribution network operators shall submit a distribution network development plan to the regulatory authority for approval at least every four years in due time for being considered in the drafting of the ten-year network development plans referred to in Article 51. The distribution network development plan shall set out the planned investments for the next five-to-ten years, including main distribution infrastructure which is required to transport renewable gas from new production facilities, as well as the infrastructure which will be decommissioned and repurposed. Distribution system operators and hydrogen distribution network operators that are active in the same regional area may opt to develop one single joint network***		***1. Member States shall ensure that natural gas distribution system operators develop plans when the heating and cooling plans established pursuant to Art. 25(6) of the Energy Efficiency Directive (EU) .../... require the decommissioning of natural gas distribution networks or significant parts of such networks. Such plans shall be developed ensuring effective energy system integration and reflecting the reduced use of natural gas at distribution level in all sectors.***

		development plan. Distribution network development plans shall:		
646s		***(a) be aligned with the Member State's integrated national energy and climate plan, national energy and climate report and long-term strategy submitted under Regulation (EU) 2018/1999, and contribute to the achievement of regional and national climate and energy targets for 2030 and 2050;***		
646t		***(b) be based on relevant strategies referred to in Article 52a(2), point (c) that establish requirements for the infrastructure on distribution level, including parts that may require decommissioning, aiming to reduce the use of gas in buildings in case more energy and cost-efficient sustainable technologies are available;***		

646u		***(c) be based on reasonable assumptions about the evolution of production, injection, supply and consumption of gas while taking into account the relevant strategies of the local authorities for the heating and cooling of new residential areas as well as requests from final customers to switch fuels;***		
646v		***(d) be consistent with the ten-year network development plan referred to in Article 51;***		
646w		***(e) promote priority use of renewable gas and low-carbon gas in hard-to-decarbonise sectors where no other more energy and cost efficient options are available;***		
646x		***(f) contain all investments, including demand-side solutions not requiring new infrastructure investments, energy storage***		

		facilities or other available energy system resources as an alternative to system expansion where doing so is more efficient as well as grid reinforcement for the injection of biomethane; and		
646y		***(g) include information on infrastructure that could be decommissioned, where alternatives are available, or repurposed for the transport of hydrogen, including to rapidly deliver hydrogen to end-users in hard-to-decarbonise sectors, which have the highest greenhouse gas emissions abatement potential per tonne of consumed hydrogen and where no other more energy and cost-efficient options are available.***		
646z		***2. The distribution system operator or the hydrogen distribution network operator shall conduct a public consultation on the draft distribution network development***		***2. The distribution network plans shall at least comply with the following principles:*** ***a. The distribution network plans shall be based on the heating and***

		plan. The participation is voluntary and all relevant stakeholders shall be invited, including the transmission system operator and hydrogen transmission system operator, as well as district heating infrastructure and electricity operators, associations involved in electricity, gas and hydrogen markets, heating and cooling, supply and production undertakings, independent aggregators, demand-response operators, organisations involved in energy efficiency solutions, industrial end-users, energy consumer associations, civil society representatives, research organisations and universities, where appropriate. To ensure early and effective participation, the distribution system operator or the hydrogen distribution network operator shall publish a draft of the network development plan in advance for comments.		***cooling plans developed in accordance with Art. 25(6) of the Energy Efficiency Directive (EU) …/… and reasonable assumptions about the evolution of production, injection, supply and consumption of natural gas in all sectors at distribution level.*** ***b. Distribution system operators shall identify required infrastructure investments, whilst demand-side solutions not requiring new infrastructure investments shall be prioritised. The distribution network plans shall list infrastructure that is to be decommissioned, also creating transparency with regard to the possible repurposing of such infrastructure for the transport of hydrogen.*** ***c. Distribution system operators shall consult all relevant stakeholders when developing the plan and ensure their early and effective participation in the planning process. All relevant stakeholders shall provide and exchange all relevant information required for developing these plans***

				with the distribution system operators. ***d. The distribution network development plan shall be published on the distribution network operator website along with the outcome of the stakeholders consultation. the website shall be update regularly so that all the relevant stakeholders have visibility on when, what and how will be consulted.*** ***e. The distribution network plans shall be updated at least every five years based on the latest projections for gas demand and supply in the relevant region. The plans shall cover a ten-year period.*** ***f. Distribution system operators that are active in the same regional area may opt to develop one single joint network development plan.*** ***g. The distribution network plans shall be consistent with the Union-wide ten-year network development plan referred to in Article 29 of the Gas Regulation and the national network development plans***

				developed in accordance with Article 51. ***h. The plan shall be consistent with the Member State's integrated national energy and climate plan, national energy and climate report and long-term strategy submitted under Regulation (EU) 2018/1999 and support the climate-neutrality objective set out in Article 2(1) of Regulation (EU) 2021/1119.***
646aa		***3. The distribution system operator or the hydrogen distribution network operator shall make public the results of the consultation processes together with the draft distribution network development plan.***		***3. Relevant national authorities shall assess whether the distribution network plans comply with the principles above. They shall approve or reject the distribution network plan and may require amendments to the plan.***
646ab		***4. The regulatory authority shall approve or reject the distribution network plan and may require amendments to the plan, based on its consistency or inconsistency with the requirements of paragraph 1,***		***4. The development of the distribution network plans shall facilitate the protection of final consumers in accordance with Article 11a.***

		before making a decision to approve or reject the plan.		
646ac		***5. However, Member States may decide not to apply the obligations set out in paragraphs 1 to 4 to distribution system operator which serve less than 35 000 connected customers by ... [the date of entry into force of this Directive].***		
646ad		***6. Where the strategy referred to in Article 52a(2), point (e), or the distribution network development plan developed under this Article identifies that parts of the distribution system may require decommissioning, in particular before the end of their originally projected useful lifecycle, and will not be repurposed for the transport of hydrogen, Member States shall ensure regulatory guidance from***		

		the regulatory authorities and financial support for distribution system operators. Support measures shall take into account security of supply, the affordability of network tariffs and environmental requirements. Complementary, the distribution system operator shall propose interventions to the regulatory authority to equitably allocate the efficient costs of the assets over their remaining lifecycle until they are decommissioned. To that end, the regulatory authority may in coordination with the distribution system operator set up guidelines for a structural approach to the depreciation of assets. Such interventions could include, for example, adjusting the depreciation profile or timeline of the assets. The regulatory authority in		

		coordination with the distribution system operator shall decide whether such assets should be decommissioned before the end of their originally projected useful lifecycle and, if so, whether any of the interventions proposed by the distribution system operator, or any alternative interventions, shall be implemented to equitably allocate the efficient costs of the assets over their remaining lifecycle until decommissioning. The repurposing of assets for the transport of hydrogen in accordance with paragraph 2, point (g), shall be taken into account. The distribution system operator shall implement the interventions decided by the regulatory authority.		