Dear Permanent Representative,

Developing a European network for renewable hydrogen is crucial for our energy transition and honoring the Paris Agreement. The EU needs to establish global leadership in this essential technology to enhance energy security and rapidly decarbonize hard-to-electrify sectors.

Due to its physical and economic characteristics, renewable hydrogen will not replace fossil gas one for one, and therefore cannot be governed in the same way.

Hence, we urge you to support the creation of an independent hydrogen network development entity (European Network of Network Operators for Hydrogen - ENNOH), as proposed in the Council's general approach on the recast Regulation on gas markets and hydrogen. To ensure a competitive market, the entity must be run by hydrogen network operators whose mission and interest are solely in planning a cost-efficient and proportionate hydrogen infrastructure development, with no conflict of interest.

While renewables-based electrification will replace most current uses of gas in power and heat generation, renewable hydrogen will primarily substitute fossil fuels and fossil-based hydrogen in heavy industry, long-distance aviation, and shipping. It could also provide long duration storage for the power system. This energy carrier will be produced by numerous new actors entering the market and will be transported mostly within regional areas, as clustering production and consumption sites will minimise infrastructure needs.

The development of hydrogen infrastructure must be tailored to the specific needs and demand of sectors that are harder to electrify, such as fertiliser and steel production or e-fuels. This infrastructure should facilitate their decarbonisation while keeping additional costs at a minimum. Coupled with a rapid deployment of additional renewable energy sources to produce the electricity needed to produce renewable hydrogen, this approach will ensure that the transition is efficient in terms of time, cost, and energy.

The proposed entity must carefully and independently evaluate future network requirements based on sound scientific analysis and economic forecasts through guidance provided by an independent, science-based body such as the ESABCC.

Furthermore, planning and developing hydrogen networks must be inherently coupled with the planning, development and reinforcement of electricity grids. This means that the new entity must collaborate with ENTSO-E, ENTSO-G and **ACER on long-term and integrated** network development planning to ensure we bring the best, most energy-and cost-efficient decarbonisation solution to every single consumer and application. In addition, consultations with relevant stakeholders and citizens need to be conducted.

We trust you share our common endeavour to deliver the fastest and most cost-efficient energy transition and remain at your disposal for any question or remark you may have.

Yours sincerely,

Co-signatories: