BEUC The European Consumer Organisation

The Consumer Voice in Europe

HOW TO ENSURE CONSUMERS ARE PROTECTED DURING the gas phase-out

April 2026

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The European Consumer Organisation (BEUC) is the largest organisation promoting the general interests of Europe's consumers. Founded in 1962, it proudly represents more than 40 independent national consumer organisations from over 30 European countries. Together with our members, we inform EU policies to improve people's lives in a sustainable and fair economy and society.

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Summary

The days of widespread gas consumption will eventually come to an end, as consumers will move to more efficient and cleaner heating options such as heat pumps. This means that large parts of today's gas network will increasingly become unused in the future, leaving the remaining consumers on the gas grid to pay for infrastructure that was designed for relatively stable (rather than declining) usage. If governments maintain the business-as-usual approach, the rising costs to maintain the network ('network costs') will significantly harm consumers' welfare and disproportionately impact those who are least able to switch to cleaner heating options.

The following policy recommendations aim to support policy and regulatory changes for a fair and affordable approach to decarbonising people's homes:

1

The EU and national governments must adopt a more coordinated and strategic approach to phasing out gas heating. This includes the development and implementation of local gas grid decommissioning plans. As gas demand declines, plans that specify when gas networks will be shut down should be prepared by 2030 instead of leaving the decision to network operators.

2

As a general rule, consumers should be informed of a network shut down at least 10 years in advance. The announcement should be accompanied by a well-coordinated information and public engagement campaign developed and carried out in close cooperation with consumer organisations and other local actors.

3

Member States and regulators need to identify a fair way to distribute the costs of decommissioning that limits the impact on consumers' energy bills and provides targeted support for households that are unable to switch to cleaner heating options.

4

The cost for dismantling the infrastructure should not be passed on to consumers. The physical removal of the gas infrastructure is a massive cost factor. Therefore, the need for this should be carefully evaluated, taking into account the real costs of dismantling and the safety risks of leaving the pipelines in the ground.

5

Disconnection-related fees charged by the network operator should be properly regulated, clearly explained to consumers, and proportionate. The remaining consumers should not pay for disconnection of other grid users.

6

Consumers should be able to end their gas contract free of charge when voluntarily switching to a new heating system or in the case of a planned network shutdown. In addition, gas suppliers should be prohibited from offering contracts that run longer than the planned date of the network shutdown.

7

Member States should help consumers replace their gas heating with sustainable options, as upfront costs remain a major barrier to switching. This includes predictable subsidies, VAT reductions on clean heating technologies, or tailored financing, such as low-interest loans.

8

Member States should establish clear cost-sharing rules that create balanced incentives between landlords and tenants to ensure that tenants are not unfairly burdened by the rising gas bills.

Context

Lowering energy bills is a top priority for consumers. Yet this goal stands in stark contrast to Europe's continued reliance on fossil fuels and the absence of clear plans for managing its phase-out. This dependence exposes consumers to recurring price volatility, as experienced during the energy crisis in 2022 and current Middle East crisis, and puts Europe's security and competitiveness at risk. It also drives bills even higher. This comes on top of expected increases in the costs of distributing gas to households in the coming years.

At the same time, Europe's goal to become carbon-neutral by 2050 reinforces the need for consumers to change the way they heat their homes and for policymakers to create the conditions that make this transition possible. Moving away from natural gas will be a central part of this effort. Currently, 70% of the heat demand in EU's households is met by fossil fuels with gas being the primary energy source for space heating in the EU. Naturally, this has a significant impact on Europe's greenhouse gas emissions.

However, data already shows today that gas consumption is steadily shrinking in the EU, with more and more consumers opting for cleaner and more cost-effective heating systems such as heat pumps. This is positive as the current approach to the heat transition relies heavily on consumers making individual choices about their heating systems. National policies and public support have supported this switch to varying degrees, but they are subject to constantly changing political priorities and often fail to provide sufficient funding and predictability for everyone to move away from gas heating.

The EU has set out the direction of travel for the bloc in the Gas Directive, by requiring national distribution system operators (DSOs) to develop gas decommissioning plans for their networks. The transposition into national law is due by August 2026, which gives governments the opportunity to design a framework for phasing out gas networks. In addition, municipalities are required to prepare local heating and cooling plans which should be consistent with the future use of the gas infrastructure, as set out in the Energy Efficiency Directive.

So, the EU's course is clear: gas is going to be phased out. The real question is not *if* change will happen, but *how* it will be managed. This is what we refer to as the 'gas phase-out'.

What does it mean for consumers when we move away from gas?

As consumers[1] leave their gas boilers behind and switch to renewable-powered technologies to heat their homes, a large part of today's gas network will no longer be needed in the future. In some instances, parts of the gas grid may be repurposed for local networks or for transporting hydrogen or biomethane to industry, where emissions are hard to abate.

However, these alternative gases are unlikely to be relevant for most distribution networks, as hydrogen or biomethane will not be available in sufficient quantities at affordable prices for households.[2] BEUC's study (2021) on the total cost of ownership of different heating appliances shows that hydrogen and hybrid heat pumps (hydrogen/electric) are the most expensive heating option for consumers. Other studies[3] also demonstrate that the role of both hydrogen and biomethane in the decarbonisation of homes will be limited.

Not all households will move away from gas and switch to a heat pump or connect to renewable district heating networks at the same time. This will be particularly the case where gas network decom-

1 In this report, the terms *consumers or users* refer to household consumers and references to *gas networks* or *gas grids* refer to the gas distribution system, and *gas* means fossil gas unless otherwise specified.

2 The production of renewable hydrogen and gases such as biomethane is highly uncertain in terms of future availability and prices. This creates a risk of sunk investments for both consumers - when changing their home heating appliances - and for the public sector, regarding the investments in gas infrastructure upgrades.

3 DNV, 'Project Olive. Biomethane Price Projection 2030', Report for the European Climate Foundation, 2023; Regulatory Assistance Project, Oeko-Institut, 'Planning and regulating Europe's gas networks: breaking up with fossil gas (p.44-47)

missioning plans are missing or delayed. Also, many will not be able to immediately switch to sustainable heating systems, for instance, due to high up-front costs or because, in the case of tenants, they have no control over the choice of their heating system. In practice, this means that the phase-out will occur unevenly across different consumer groups.

For those who remain connected, the costs for funding and maintaining the network, namely network charges,[4] are expected to rise sharply. This happens because the number of people who will eventually bear the full costs of maintaining the gas infrastructure will shrink and the costs will increasingly be shared among fewer consumers. In other words, those remaining consumers connected to the gas grid, which are often those in a more vulnerable position, will disproportionately be affected by rising network costs.

Analyses of the impacts of declining gas consumption show that for example, network tariffs in Germany could increase up to 16 times in 2044 compared to 2022 if the existing regulatory framework remains unchanged, according to a study (2023) by the think tank Agora Energiewende. Similar findings come from Austria, where BEUC's member Arbeiterkammer projects that network costs could rise up to 13-fold by 2039 compared 2025 levels, following a constant decline in gas consumption. An average household (15kWh/year) paying in €350 today would then face costs of €4,550.

This raises the question: as the number of consumers connected to gas continues to fall, how can the phase-out of gas grids be managed in a way that does not financially overburden households, especially the most vulnerable?

Seeking answers through a new study

To explore these implications for consumers and identify possible protections, BEUC, together with national consumer organisations in France (Que Choisir Ensemble (formerly UFC-Que Choisir) and Consommation, logement et cadre de vie, CLCV) and Spain (La Federación de Consumidores y Usuarios, CECU), commissioned a study from the Robert Schuman Centre for Advanced Studies/ Florence School of Regulation (hereinafter referred to as FSR study).

The FSR study estimates the costs of network charges and carbon pricing (Emission Trading System 2, ETS2) for consumers who continue to rely on the gas network in the period 2025-2050. This timeframe was chosen as it aligns with the EU's objective to phase out fossil fuel use. In addition, the study includes a legal analysis of existing EU rules, in particular the Gas Directive, to assess whether its provisions adequately address the transitional challenges consumers face during the phase-out of gas grids.

This BEUC report does not attempt to resolve all complexities of this transformation but aims to shed light on the consumer perspective and the actions needed to ensure a fair and affordable transition. Our policy recommendations are based on this FSR study as well as on the work and experience of our members, national consumer organisations across Europe.

Note on the study approach

While the whole methodology is available in the FSR study, a few elements are important to consider here in terms of the modelling and additional costs associated with the gas phase-out:

- The price estimates exclude future changes in wholesale prices, supplier margins, and taxes and levies (except carbon pricing) as reasonable forecasts are extremely difficult and highly uncertain. In the calculations, these values remain constant.
- There are other factors that could increase consumers' gas bills such as the costs of disconnecting households from the gas network and costs for dismantling the gas infrastructure. These costs are not considered in the estimates of the FSR study but will be discussed in the policy section of thisreport.

4 Network charges for the gas distribution network are fees paid by consumers to cover the costs of operating and maintaining the gas distribution system. On average across the EU capital cities, network charges account for *around 23% of household gas bills*.

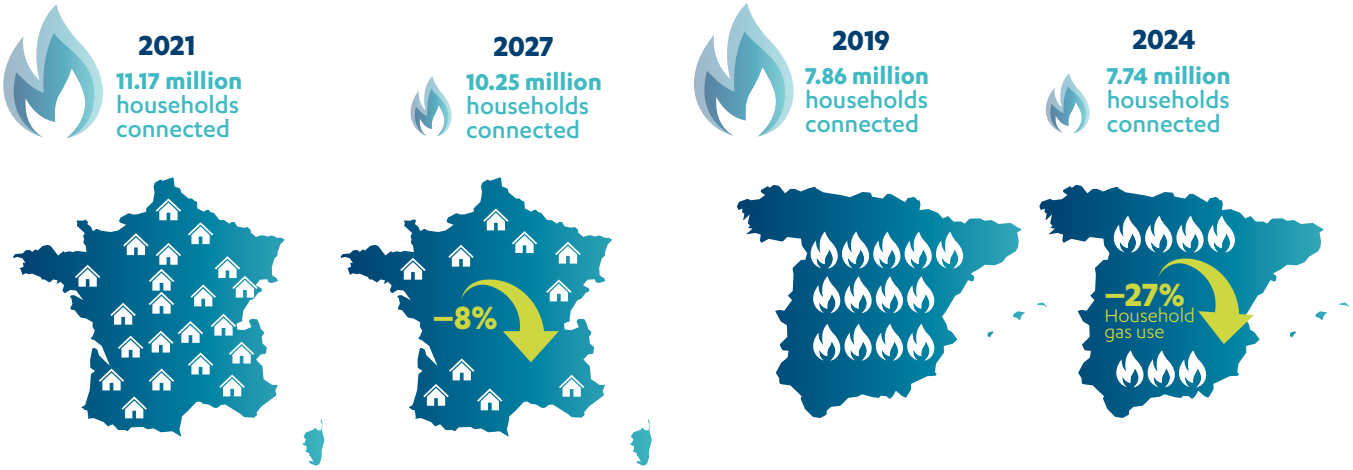
Key findings of the study

1 Gas demand already decreasing in France and Spain

The first effects of the shrinking gas consumption are already visible. Since 2021, gas demand has declined significantly in both France and Spain, though the underlying trends differ.

In **France**, both the number of connected households and their average consumption are falling. Between 2021 and 2027, the number of customers connected to the gas network is expected to decline from 11.17 to 10.25 million (a reduction of 8%), while average consumption per household is expected to shrink by 10-12%. It is important to note that the number of households disconnected from the gas network ('abandon du gaz' in French) understates the broader reduction in gas use, as many households remain physically connected to the network, but have significantly reduced their gas consumption due to an increasing shift toward electrified heating and improved energy efficiency through renovations.

In **Spain**, the number of gas consumers has stayed almost unchanged from 7.86 million to 7.74 million from 2019-2024 (representing a reduction of 1.5%), but total household demand and average consumption per household fell by approximately 27% between 2021 and 2024. This shows that Spain's decreasing gas demand comes mainly from lower consumption per connected household, not disconnections. Similar to France, this trend is likely driven by energy-saving behaviour after the 2022 energy crisis, improved energy efficiency, a shift to electrified heating, and lower energy consumption due to milder temperatures.



The study also indicates that these different trends may be explained by different **tariff choices** across the two countries:

In **France,** a large share of network costs is recovered through fixed and capacity-related charges, rather than through delivered volumes (kWh). This means that declining gas demand automatically translates into higher network costs for consumers, *irrespectively of their consumption*. This model can help secure network operator's revenues but raises fairness concerns. Since the actual consumption does not reflect the price increase on consumers' bills, low-consumption households such as vulnerable consumers face rising unavoidable charges as gas demand declines, despite using less.

In **Spain**, the tariff design is opposite of that of France and is more equitable in its current structure. Fixed charges have been reduced, while a greater share of cost recovery relies on volumetric charges which are based purely on consumption (€/kWh). This means that gas bills reflect actual consumption more accurately and thereby protect low consumption households from rising network charges. However, as network revenues relies on consumption volumes, network operators face greater revenue risks, which may drive network charges higher in the future as demand continues to decline.

While national regulators have adopted different tariff approaches, as these two cases show, both models lead to similar challenges. As gas use will further decline after 2030, those least able to switch will be left paying disproportionately high gas bills in the coming years. However, the social impact differs between the two countries.

In Spain, low-income households generally do not rely on gas and are therefore less exposed to these price increases. In France, where household gas use is widespread, the burden on vulnerable consumers is likely to be more significant. It is also important to note that, on average, Spanish households consume much less (6 MWh/year) than French households (16.5 MWh/year). The significantly lower average consumption results in lower bills and also reduces consumers' price sensitivity.

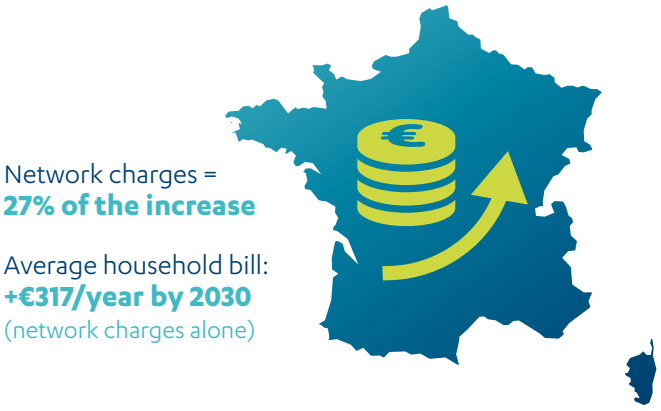
2 Gas is increasingly unaffordable

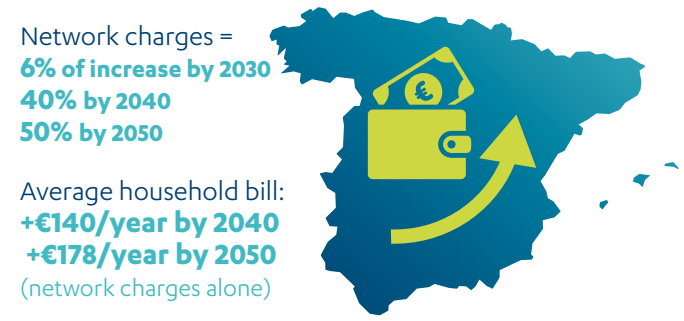
The study shows that the expected 'death spiral' - where falling gas consumption leads to higher network costs - is likely to materialise and could significantly harm consumers' welfare. The longer consumers use gas for heating, the higher their gas bills will be, if current policies and regulatory framework remain unchanged.

The findings[5] indicate the following price trends in France and Spain:

In **France**, gas is becoming increasingly unaffordable, leading to a growing number of households moving away from it. The study projects a 53% price increase - due to rising network charges and carbon pricing - alongside a 61% decline in consumption by 2030 with respect to 2024 levels. Network charges account for 27% of the increase. This means that annual average household gas bills (16.5 MWh/year) could increase by €317 in 2030 with respect to 2024 levels due to higher network charges resulting from the shrinking gas grid. Such dramatic price escalation and the resulting shift from gas would drive gas bills to levels that are unaffordable for consumers.[6] Even in scenarios where it is assumed that alternative gases such as biomethane account for 100% of gas consumption by 2050, as estimated by the French network operator, network charges and carbon pricing costs are expected to more than double (101-137%) by 2050.

In **Spain**, gas consumption may rise slightly until 2030 due to recent gas network expansion before starting to decline. After 2030, falling demand is expected to raise network charges, which will in turn further reduce consumption, creating a slower but steady downward trend. Network costs and carbon pricing could rise by 55% by 2030, 102% by 2040 and 127% by 2050, according to the FSR estimates. Network charges account for 6%, 40% and 50% of the increase. The FSR study shows that Spanish consumers would only face higher network charges as of 2035. Gas bills could rise by €140 for an annual average household (6MWh/year) in 2040 and by €178 in 2050. The increase is much slower than in France, yet it occurs across all considered forecasting scenarios. Besides the difference in network tariff structure, Spain has a larger share of industrial users connected to the distribution grid, and lower average consumption per customer (around 6MWh per year compared to 16.5 MWh in France) which overall reduces the price sensitivity and thus slows down the spiral of rising costs and falling demand.





5 As explained in the methodology section, the price estimates indicate the price changes in network costs and carbon pricing related taxes (ETS2) and exclude future changes in wholesale prices, supplier margins, and other taxes and levies. Moreover, any use of low-carbon gases in the future is assumed to be competitive with the wholesale gas price, although this remains highly uncertain and prices are expected to be higher than those for gas.

6 The FSR estimates show that the costs (network costs and ETS2) would more than double (+109%) by 2032 with respect to 2024.

Policy recommendations

The study explains how falling gas demand will drive up costs for remaining gas consumers. To protect consumers from escalating gas bills and maintain consumer confidence throughout the transition, a clear, immediate and well-coordinated strategy for managing the gas grid phase-out is needed.

BEUC advocates ensuring the decarbonisation of heating takes place in a way that does not financially overburden households and prioritises consumer protection.

1 Planning ahead and getting ready for the switch-off

A more coordinated approach is needed

To prevent consumers from facing rising gas bills, the EU and national governments must adopt a more coordinated and guided approach to phasing out gas. A market-led approach for heat decarbonisation, based on individual actions, will lead to unaffordable high bill increases, as shown by the FSR study. Therefore, a clear and coordinated pathway that allows all consumers to leave the gas network without disruption is necessary.

Neither the EU nor most Member States[7] have defined a concrete trajectory for shutting down or repurposing the gas grids, even though early implementation can significantly reduce costs, as shown by a study from Frauenhofer and Umweltinstitut München on the closure of German gas networks.

In this regard, network decommissioning plans are an important step for a coordinated phase out of gas grids, provided they are well-planned and aligned with the local heating and cooling planning. However, the network decommissioning planning obligation in the Gas Directive does not specify the criteria to determine when a decline in gas demand is deemed sufficient to trigger the development of these plans. Consequently, the decision to develop such plans is left to the distribution network operators.

Since network operators have an inherent interest in maintaining the gas infrastructure,[8] the decision on whether to prepare a decommissioning plan poses a conflict of interest and should not be left entirely in their hands. As the two case studies (France and Spain) and other studies[9] show, a decline in gas demand is inevitable. Therefore, all network operators should be obliged to develop plans to decommission their networks by 2030 at the latest.

Consumers need certainty and timely information about the future of gas heating

Consumers and industry need clarity on the future of gas – from clear political commitments and strategies on how to phase out gas to concrete local heating and gas network plans. The EU's energy and climate targets, together with national energy and climate announcements by very few municipalities to phase out gas by a certain date, give a general indication but do not provide consumers with the sufficient clarity or guidance they need.

When opting for new gas boiler[10] today, consumers should be made aware that gas heating will lock them into higher heating costs as the FSR study shows, and, in the event of a planned gas network closure, will result in a shorter useful lifespan of their gas boiler. Our French member CLCV therefore recently passed a motion calling for an end to gas heating, in particular by preventing new gas boiler installations.

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7 A few national example exists: France announced in April 2026 *their plans to accelerate the electrification* and move away from gas use in the heating and transport sectors. Denmark has set the most clearly defined target to phase out gas heating in households by 2035.

8 Network operators – whether privately or municipally owned – are likely to be less interested in decommissioning their network, as it would reduce their profits.

9 Ember (2025), *EU national targets show gas in decline; Bruegel (2026), European natural gas demand tracker*

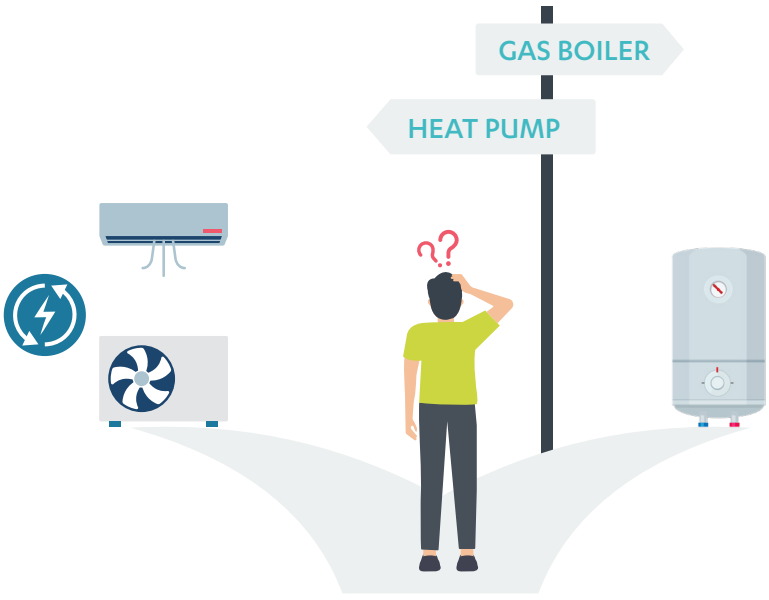
10 A *survey* by our UK member Which? shows that three in four (76%) homeowners with older boilers said that if their boiler broke down tomorrow, they would stick with what they know and choose another gas boiler, while only a small group (15%) say they would consider making the switch to a heat pump.

While the EU has recognised the need to protect gas consumers from increasing network charges, legislators have not yet translated these concerns into concrete legal requirements, such as the information to be included in gas supply contracts or in the minimum information required on gas bills. If gas suppliers were required to inform consumers about the increase in network costs in the coming years, consumers will be better placed to make informed choices about their heating system.

As a general rule, consumers should be informed of a local network closure at least 10 years in advance, so they have sufficient time and stability to switch heating systems without financial or mental hardship. The exact notice period should take into account local conditions, such as socio-economic profiles of the local population, infrastructure development such as district heating networks, and the availability of support measures for switching to new heating systems and required improvements in the thermal insulation of the building if necessary. In some local contexts, however, network closure may be feasible sooner than ten years after the announcement. For instance, where the number of connected consumers is already low, alternative heating systems are or will soon be available, and targeted support measures for consumers are in place. In such cases, the law should allow for well-defined exceptions; however, consumers must still be informed at least five years in advance.

Moreover, early and transparent planning also protects consumers from stranded assets, for instance, when a network is scheduled to close before the investment in a gas boiler has paid off. Where consumers have to disconnect a still-functioning appliance, national legislation should provide specific provisions for these cases. For example, offering compensation payments, as it is done in Switzerland.[11] In any case, such provisions should not create incentives for further investments in new gas boilers but protect consumers financially.

The announcement and communication on the network closure must include the reasons, and practical information including a clear timeline, available alternatives for heating, the availability of financial assistance and dispute resolution services. These services can for example be provided by independent one-stop-shops, consumer organisations and energy ombudsmen. It is also important to note that this communication is not a one-off box-ticking exercise, but a well-coordinated information and public engagement campaign,[12] lasting from the planning until every consumer is equipped with an alternative heating system. These campaigns should be designed and implemented in close cooperation with local authorities, consumer organisations, social workers and local organisations that can provide direct support to consumers.[13]



11 Compensation payment for non-amortised gas appliances: *City of Zurich*, *Basel*

12 These information campaigns developed at the national, regional and local level should comply with Article 13(c) of the Gas Directive, which requires Member States to provide consumers affected by decommissioning plans with information and advice on sustainable heating options, as well as information on financial support, and one-stop shops.

13 *BEUC's STEP (2019-2022)* project proved that consumer groups and frontline organisations can play a crucial role in advising energy poor consumers on more efficient energy consumption and how this can help them save money and improve their health and well-being. Similar efforts are need in the process of the gas phase-out.

2 Distributing costs fairly

Network tariff design

In all scenarios presented in the study, gas bills are projected to rise significantly. The main driver behind this cost spiral is the shrinking number of consumers remaining connected to the gas network. Therefore, regulators should develop tariff designs that support an orderly and socially balanced phase-out of gas grids. The costs of the gas phase-out should not simply be passed onto the remaining consumers without additional policy measures. The tariff structures in France and Spain illustrate that different designs can lead to different distributional impacts, as explained in the previous chapter. For example, the Spanish tariff structure, with an increasing share of revenues recovered on a volumetric basis (i.e., revenues are collected based on actual gas consumption), may protect consumers with lower consumption from rising costs in the short-term. However, adjusting tariff design alone will not be sufficient to cushion the sharp increase in network costs.

The FSR study also reveals that there is the need to improve transparency on network tariffs and how they evolve over time. In both France and Spain, the published information about network tariffs does not allow a systematic assessment of how different consumer types have been affected by the gas phase-out. This helps, for example, to develop fair rules for how costs are shared between households and other grid users.

The EU should therefore require Member States to publish standardised, time-series information on gas distribution tariffs and customer segmentation. This should include, at a minimum, the evolution of customer numbers by consumption band, the composition of allowed revenues by tariff component and the interaction between tariff design, declining consumption and disconnections over recent years. In addition, national regulators should conduct and publish a detailed distributional impact assessment when modifying gas network tariff structures, taking into account future trends of declining demand and rising disconnections. This would enable better tariff design adjustments and more targeted policy measures to protect consumers.

Beyond tariff reforms, regulating the switch-off

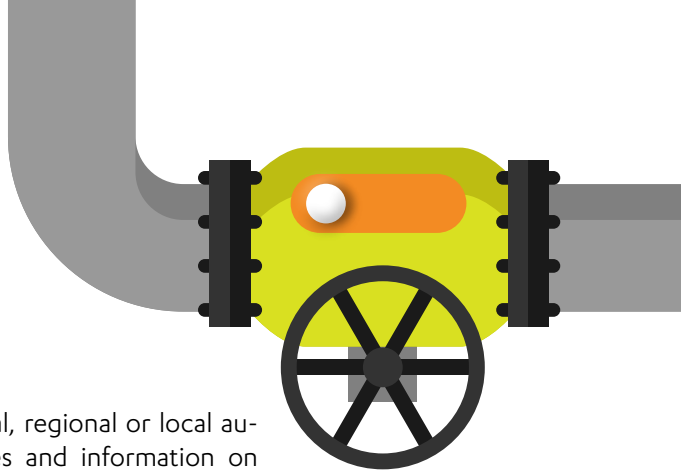
As network costs (regardless of the tariff design) are expected to rise significantly for consumers, governments and regulators need to explore policies and adjustments to gas network regulations that reduce the risk of spiralling network cost effects for consumers and asset stranding[14] for network operators. Accelerated depreciation of networks is often mentioned as a possible solution, as it would allow network operators to recover their investments earlier than under current regulations, which typically foresee depreciation periods of around 45 years, and thus, reducing the risk of stranded assets. Research (2025) from our UK member Citizens Advice shows that accelerating the depreciation of grid investments reduces the potential risk of future asset stranding. However, it only has a marginal impact on limiting increases in consumer bills and does not address the fundamental issue of rising network costs.

It is the responsibility of governments and regulators to explore options to recover the remaining investments through other ways than only consumers' gas bills. One possible policy response could be for Member States to partially socialise network costs through public funds. For example, the national budget could be used directly to cover a share of the network-related component of consumers' bills. The FSR study highlights that "partial costs socialisation would help to spread transition costs across society as a whole rather than concentrating them solely on gas consumers. Since gas-phasing out is a general policy benefitting all citizens, not just gas consumers, it might be fairer if the costs of early retirement of assets before the end of their economic lives were borne by all citizens" (p. 71).

14 Stranded assets can be explained as follows: "assets withdrawn from operation before the end of their regulatory asset lifetime as a result of permanently declining natural gas demand, changes in technology, policy decisions (decarbonisation) or other factors" *(2022 ACER study, p. 78)*

Target support for households

In addition to regulatory adjustments, governments should provide targeted support for households that face disproportionate cost burdens and struggle to pay their bills. This could include measures such as social tariffs, targeted bill support, or price caps, similar to support mechanisms to protect consumers from disconnection or protection measures that were introduced during the energy price crisis in 2022. To ensure these protections reach those who need them most, gas suppliers, who are the main point of contact with consumers, should promptly and systematically inform consumers in payment arrears about available forbearance measures and proactively offer them to prevent debt accumulation. These measures can include flexible payment plans, referrals to independent debt advisory services, access to financial assistance from national, regional or local authorities and information on energy advisory services to improve energy efficiency. This would allow a timely activation of support measures and ensure the continuity of energy supply. Member States can introduce such measures and a supplier obligation for early-warning monitoring during the transposition and implementation of the Gas Directive as part of the efforts to protect consumers against disconnection (Article 28).



Dismantling the gas infrastructure should be carefully considered

Costs for removing the physical infrastructure of the gas network should not be passed on to consumers through increased network charges. The research (2025) by our UK member Citizens Advice analysed the cost implications for socialising the dismantling of infrastructure (including transmission networks) across gas consumers. Their findings show that adding this costs to bills would increase them by around £200 in 2045, rising to a £1,500 increase in 2049.

As the physical removal of the gas grid is a massive cost factor, it should be carefully evaluated. Where safety issues are identified, the grid must be removed; however, in other cases, it may be an option to leave the infrastructure in the ground. In Germany, the costs for the removal of the grid per kilometre amount to approximately €200,000 to €400,000 based on responses from network operators, surveyed in 2023. Against this background, our German member vzbv also prioritised the option to leave infrastructure in the ground where possible, to ensure the lowest possible transformation costs for consumers.

Above all, Member States and national regulators should assess the real costs of removing the physical infrastructure from the ground. At present, there is no independent data on these costs and on the geographical areas where pipelines have to be removed.

Disconnection fees should not prevent consumers from switching

Consumers who switch to electrified heating or district heating will need to disconnect their home from the gas grid and should not be penalised with high disconnection fees. In Germany, disconnecting from the gas network can cost up to €6,000, as a survey (2025) by the German consumer organisation in North-Rhine Westphalia shows. The consumer organisation in Lower Saxony of BEUC's German member organisation recently won a court case against a network operator, charging a consumer €995 for disconnecting. The court clarifies that the regulation on network connection (Article 9) does not allow network operators to pass on the costs of disconnecting the household from the gas network.

A study by our UK member Citizens Advice explores the impact on gas bills if all consumer disconnection costs were spread among the remaining gas consumers. The findings suggest that socialising disconnection costs amongst the remaining gas consumers substantially increases gas bills. It is important to highlight that this increase would come on top of the network costs increase.

EU and national governments should therefore ensure that disconnecting from the gas grid is properly regulated and does not discourage consumers from making the switch to sustainable heating systems. Any fees related to the disconnection, which often simply imply the sealing of the gas connec-

tion, should be legally justified, clearly explained to consumers and reflective of the actual labour cost required to disconnect a consumers' house from the gas network. In general, network operators should not pass on the costs to the remaining consumer base, as it would further increase the gas bill and it unfairly impacts consumers who are not able to switch. A good example is the Danish State Decoupling Scheme that pays for households' disconnection fees. The scheme is managed by the Danish Energy Agency and allowed almost 80,000 disconnections between 2021 and 2024.[15]

In the Netherlands, households can have their gas grid connection removed free of charge after notifying the network operator, on the condition that consumer does not demand a specific removal date. This allows the network operator to remove the grid connection at a time and pace that is most cost-efficient (for example, by bundling several jobs in the same street). Network operators can only charge consumers when they request a specific time for the disconnection. In addition, the Dutch regulator introduced a small annual provision in gas tariffs that will accumulate over time into a reserve fund to finance future network disconnections, thereby spreading the costs across a broader consumer base rather than placing them on the shrinking group of remaining users.

3 Making the switch easy and affordable

Facilitating the termination of gas contracts

The right to switch (Gas Directive) allows consumers to change gas suppliers without paying any switching-related fees;[16] however, the right does not apply to consumers who stop using gas and switch to another energy vector. This should be extended to allow the termination of gas supply contracts without being charged termination-related fees when consumers switch to alternative providers (such as electricity or district heating). This rule should apply two both cases: (1) voluntarily termination of the gas supply contract because the household stops using gas and (2) planned network closures. Moreover, the EU and Member States should ensure that gas suppliers are prohibited from offering or entering into gas supply contracts with consumers that extend beyond the planned closure date of the gas network.

Making sustainable heating accessible and affordable

National governments should help consumers afford sustainable heating systems, as high up-front costs are a major barrier to switching. For many households, predictable subsidies, VAT reductions, or tailored financing, such as low-interest loans or on-bill repayment schemes, can make renovations and sustainable heating solutions, as well as their future replacement more affordable. However, even where these support schemes exist, subsidy and loan applications are often complicated, and consumers usually have to pay up-front before being reimbursed. This creates a significant barrier for those who cannot afford such high initial costs.

Recent years show that subsidies alone will not solve the slow uptake of heat pump devices. Heat pumps remain too expensive in many countries, with unclear pricing and unjustifiably high up-front costs. Manufacturers must step up by investing in supply chains, cutting production costs, and offering affordable products to consumers.

In addition, installation processes need to be more streamlined and efficient to ensure high-quality installations of sustainable heating systems. As set out in the EU Renewable Energy Directive, Member States should create qualification schemes and training programmes to give consumers access to a skilled workforce of installers. This is important because consumers are not heating experts and need guidance on what appliances best satisfy their heating and cooling needs and how to use

15 A good description of the Danish disconnection regulation and scheme can be found in *RAP's report* on "Nationalisation and wind-down: Regulation of disconnections and decommissioning of the gas distribution grid in Denmark (2025).

16 Switching-related fees are only allowed in circumstances where consumers voluntarily terminate a fixed-term, fixed-price supply contract before their maturity (Gas Directive, Article 12(2)).

them as efficiently and cost-effectively as possible. In some cases, improving the insulation or carrying out other energy efficiency measures might be useful. Therefore, accurate energy audits and advice are crucial. To keep costs low for consumers, it is important that installers and energy advisers are regularly trained and stay informed about the latest technological developments to avoid overly expensive installations and pre-works.

Clear rules to protect tenants are needed

While landlords control investment decisions on the new heating systems and energy efficiency upgrades, tenants bear the consequences of those decisions or inactions.

Member States should therefore establish clear cost-sharing rules, including costs related to CO2 levies such as ETS2, that create balanced incentives for both landlords and tenants. Transparent cost-sharing mechanisms would reduce the risk of tenants being unfairly burdened during the energy transition.

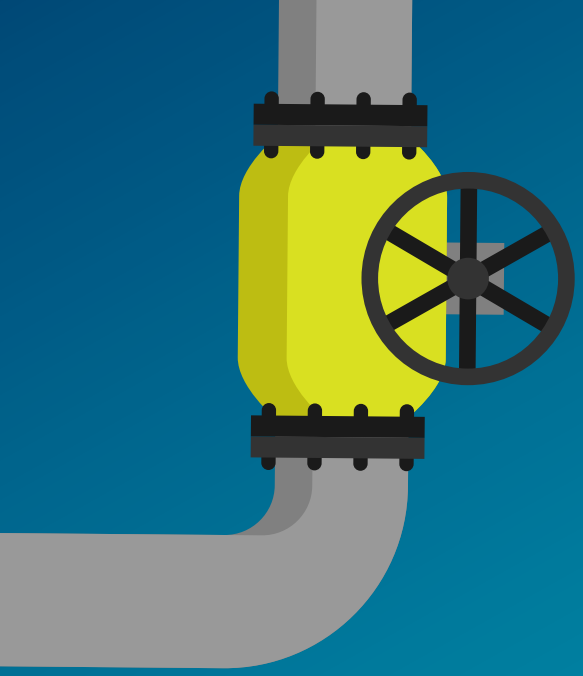
Support schemes such as Energy Service Companies schemes which finance up-front investments and recover costs through a share of the energy savings, could be an option to make technology and energy efficiency upgrades more accessible.

Conclusion

Moving away from gas will protect consumers from rising energy bills in the future. Yet, on the way to a gas-free future, the FSR study shows that consumers could be significantly harmed if the costs of this transition are paid by the remaining gas consumers. This consequence should not justify maintaining the status quo or waiting for alternative gases to become available, as both paths would lead to rising costs for consumers. Instead, it is a clear call for the EU, national governments and regulators to find fair ways to share these transition costs and plan an orderly and timely transition - protecting not only consumers bills, but also the overall burden on national budgets.

While this report focuses primarily on the transitional challenges, the gas phase-out is an integral part of the broader transition towards a decarbonised energy system. It must therefore be seen in close connection with other key efforts, such as investments in the electricity grid, lower taxes and levies on the electricity bills, improving the energy performance of buildings, and facilitating the access to smarter energy products and services.

In this regard, we observe that these efforts are often presented as a major infrastructural and technical challenges. However, they are also about bringing very concrete changes to people's lives. Practically this means more renewable energy, fewer imports of volatile fossil fuels, access to more efficient and sustainable products that result in lower bills, a better quality of life, and a future for our planet. It is therefore crucial that the household consumer perspective is fully reflected in these efforts. Improving and implementing consumer protections and rights, as recently proposed in the EU's Citizens Energy Package, will play a decisive role in shaping a clean and fair energy system for all.



BEUC The European Consumer Organisation

The Consumer Voice in Europe

Contact details

@beuc.eu

BEUC – The European Consumer Organisation

www.beuc.eu

energy@beuc.eu

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