

# GAS DIRECTIVE AND REGULATION

## Key points for consumers

### Why it matters to consumers

Today, nearly one third of the energy used by European households is natural gas. Despite this important share, consumer rights and protections in the gas sector lag behind those in electricity. Gas consumers find it difficult to understand what they are paying for, how to distinguish between different offers and how sustainable their heating is. Consumers relying on gas should enjoy adequate rights and protections. Also, in the context of rising energy costs, it is key to keep costs for consumers down. Against this, it is clear that hydrogen will remain an expensive energy carrier and will not be a suitable option for consumers' heating and cooling needs, and should not be promoted in residential heating.

This two pager summarises BEUC's main recommendations for the Commission's proposed recast of the Gas Directive and Gas Regulation. The table assesses the proposals with the following symbols:



supports the proposal



support for idea but room for improvement



an important idea is missing in the proposal



rejects the proposal

#### COMMISSION PROPOSAL

#### BEUC STANCE



**SEVERAL CONSUMER RIGHTS ARE IMPROVED BY MIRRORING THE ELECTRICITY DIRECTIVE.** This includes basic contractual rights, right to switch, comparison tools, bills and billing information, data management, single point of contacts and right to out of court dispute settlement (*Gas Directive Article 10-12, 15, 21, 23, 24 and Annex I*).



BEUC supports mirroring of consumer rights from the Electricity Directive for these articles. Some wording needs to be clarified to ensure that consumers will benefit from consumer rights independently of the gas mix of the future.



**CONSUMERS PROTECTION FOR VULNERABLE AND ENERGY POOR CONSUMERS** is less complete than in the Electricity Directive. (*Gas Directive Article 25*).



The energy price crisis shows the importance of a sound protection of energy poor and vulnerable consumers. The Electricity Directive should be mirrored completely. In addition, consumers should be protected from disconnections during winter times.



**SMART METERS ARE INCENTIVISED TO THE SAME EXTENT FOR GAS THAN FOR ELECTRICITY** (*Gas Directive Article 16 and Annex II*).



BEUC rejects incentivising smart meters in gas as there is no added value for consumers. Conversely to electricity, there will be no demand-response for gas. Given that fossil gas needs to be phased out, smart meters in gas risk ending up as a stranded asset.

## COMMISSION PROPOSAL

## BEUC STANCE



**DIGITAL DEVELOPMENTS ARE NOT ADEQUATELY TAKEN INTO ACCOUNT** in the Commission proposal leaving consumers unprotected when using new tools such as automated switching tools and bill splitters.



Third-party intermediaries, such as automated switching tools and bill splitters, are increasingly used by consumers. As third-party intermediaries are currently unregulated, consumers are not able to rely on the consumer rights and protections set out in this Directive. For example, if something goes wrong in the switching or billing process, consumers cannot use alternative dispute resolution. BEUC recommends that third party intermediaries are included in the scope of the Directive.



**CONSUMERS' GAS BILLS MAY REMAIN AFFORDABLE**, as the proposal requires gas transmission network operators to make cost-effective investment and decommissioning decisions based on expected future demand included in the National Energy and Climate Plans and that such decisions must be subject to regulators' approval (*Gas Directive, Article 51*).



BEUC supports the proposal but recommends that infrastructure operators should also consider more granular data included in local heating and cooling plans developed in line with the Energy Efficiency Directive and National Building Renovation Plans, that Member States need to develop in line with the Energy Performance of Buildings Directive. Higher granularity will ensure that decisions are more cost-efficient and lead to lower bills to consumers.

BEUC also recommends that the same rules should apply to distribution network operators.



**CONSUMERS MAY NEED TO PAY FOR THE DEVELOPMENT OF HYDROGEN NETWORKS**, as the proposal allows Member States to introduce charges in households' gas bills for this purpose (*Gas Regulation, Article 4*).



Under no circumstances revenues from gas bills should be used to finance hydrogen networks as this arbitrarily puts the cost of the decarbonisation of the industry sector on households relying on gas. Hydrogen networks should be financed by their users.



**HYDROGEN PRODUCERS WILL BE EXEMPTED FROM THE COST OF BUILDING HYDROGEN NETWORKS**, while the proposal may lead to households using gas paying for them through their gas bills and/or all households, through their taxes (*Gas Regulation, Article 16*).



No rebate must be granted to fossil low-carbon hydrogen producers, as activities harming the climate should not be publicly subsidised. Any rebate for renewable hydrogen producers must be defined at the national level following an independent cost-benefit analysis as all costs not paid by the industry would inevitably be paid by households.