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Energy Regulators of the Mediterranean Debate about Hydrogen to Foster Sustainable Gas Markets

Today, Presidents of national energy Regulatory Authorities from around the Mediterranean region gathered virtually to discuss about the growing importance of hydrogen in the transition to sustainable gas markets, and about their role as regulators in promoting sustainable energy sources towards the energy transition.

Green hydrogen is benefiting from unprecedented political and business momentum, with related policies and projects expanding rapidly around the world. With today's workshop enriched by the industry's contribution, MEDREG regulators' Presidents sought to understand the technological and economic challenges that this clean energy source implies on the gas market, and start thinking of support mechanisms and initiatives able to overcome these challenges, therefore facilitating the green transition at the national and the regional levels.

Looking at concrete projects aimed at supporting the development of green gases, **Mr. Petrit Ahmeti, MEDREG President and Chairman of the Albanian Energy Regulatory Authority ERE** indicated that:

“Looking at the role of regulators to cope with challenges in the energy mix, they should be the watchdog of the market to avoid abuses of dominant positions along with creating a fully functioning transparent and sustainable energy market. They should work to implement smart policies to promote both hydrogen and RES and long-term regulatory predictability, which are key aspects to support development of infrastructure to both accommodate Hydrogen and RES towards energy transition.”

For his part, **Mr. Abdellatif Bardach, MEDREG Vice-President and Chairman of the Moroccan Electricity Regulatory Authority ANRE** pointed out that:

“Natural gas can play a crucial role in the decarbonization of the energy sector. With the scaling-up of renewable electricity production, biomethane together with hydrogen can provide an efficient storage and flexibility solution. This combination would balance the intermittency of renewables and therefore allow the transition to cleaner energy systems.”

In order to effectively increase hydrogen in the energy mix, **Mr. Karem Mahmoud, MEDREG Vice-President and CEO of the Egyptian Gas Regulatory Authority GASREG** considered that:

“A common and shared Mediterranean regional hydrogen strategy would be beneficial, one which would place cross-border cooperation at its core and consider the retrofitting and repurposing of already existing pipelines. This aspect is fundamental for Southern shore countries and their regulators, which need interconnected markets for cross-border trade of hydrogen. Indeed, a common strategy will help in extending the reach of the Mediterranean countries and have a common regulatory approach to facilitate and promote this trading activity.”

MEDREG Members called for a greater hydrogen role in energy strategies and energy mix models in the Mediterranean countries. In order to facilitate this process, they recommended to:

- Define best practice guideline for a national hydrogen strategy that include regulatory tools and instruments to develop the hydrogen market and regulate the related activities;
- Eliminate unnecessary regulatory barriers and harmonise standards for hydrogen;
- Reinforce the cooperation among energy regulators and system operators in upgrading the existing network codes and tariff models, with the support of an advisory technical group which could be established;
- Develop a strong guarantee of origin scheme for MEDREG countries to facilitate the creation of a more harmonised and integrated Mediterranean hydrogen market.



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Wrapping up the meeting, **Mr. Stefano Besseghini, MEDREG Permanent Vice-President and President of the Italian Energy Regulatory Authority ARERA**, stated:

“Today’s discussion showed that hydrogen has a significant presence in the political agenda and in the energy strategies of MENA countries. There is thus an opportunity for MEDREG regulators to share technologies, views, and develop standards of Guarantee of Origins and safety that can be further discussed with partner stakeholders. Additionally, as some MEDREG countries such as Morocco and Algeria have the ambition of becoming exporters of green hydrogen, Research and Development programmes shall be deployed with the participation of regulators to find storage solutions and decrease the use of water in the H2 generation process.”

In order to support the development of hydrogen in our region, MEDREG will try to engage the energy stakeholders of the EU, COP and market players, pursuing the dialogue initiated today.

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MEDREG is the Association of Mediterranean Energy Regulators, which brings together 27 regulators from 22 countries, spanning the European Union (EU), the Balkans and North Africa. Mediterranean regulators work together to promote greater compatibility of the regional energy markets and legislation, seeking progressive market integration in the Euro-Mediterranean basin. Through constant cooperation and information exchange among members, MEDREG aims at fostering consumer rights, energy efficiency, infrastructure investment and development, based on secure, safe, cost-effective and environmentally sustainable energy systems. MEDREG acts as a platform providing assistance to its members as well as capacity development activities through training sessions and workshops as well as personalised hands-on initiatives. The MEDREG Secretariat is located in Milan, Italy.

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For more information, visit www.medreg-regulators.org

ARERA is the Italian Regulatory Authority for Energy, Networks and Environment that carries out regulatory and supervisory activities in the sectors of electricity, natural gas, water services, waste cycle and district heating. Established by Law No. 481 of 1995, ARERA is an independent administrative authority that operates to ensure the promotion of competition and efficiency in public utility services and protect the interests of users and consumers. These functions are performed by balancing operators' economic and financial objectives with general social objectives, for environmental protection and the efficient use of resources.

For more information, visit www.arera.it/it/inglese/index.htm

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