FNB Gas Position Paper

On the European Commission's call for evidence

EU Hydrogen Strategy Review –

Building on Europe's hydrogen momentum

Berlin – 16th of October, 2026

About FNB Gas:

FNB Gas e.V. is the association of Germany's supraregional transmission system operators, headquartered in Berlin. Together, its members operate a pipeline network approximately 40,000 kilometers long for the transport of natural gas and are jointly constructing the approximately 9,000-kilometer-long core hydrogen network. Founded in 2012, the association supports its members in fulfilling their legal and regulatory obligations. It also coordinates integrated network development planning for gas and hydrogen at the transmission network level. Furthermore, the association advocates for the active promotion of safe and efficient operation of the natural gas transmission infrastructure, as well as its continuous development to meet the needs of the future energy system.

The association's members are the companies bayernets GmbH, Ferngas Netzgesellschaft mbH, Fluxys TENP GmbH, GASCADE Gastransport GmbH, Gastransport Nord GmbH, Gasunie Deutschland Transport Services GmbH, NaTran Deutschland GmbH, Nowega GmbH, ONTRAS Gastransport GmbH, Open Grid Europe GmbH, terranets bw GmbH, and Thyssengas GmbH.

FNB Gas welcomes the European Commission's initiative to revise the European Hydrogen Strategy with greater emphasis on competitiveness and resilience. Even if the market is developing more slowly than originally expected, this should not prompt Europe to scale back its long-term ambitions, as this could jeopardise the roll-out of hydrogen. On the contrary, the conclusion should be to set up more effective and targeted instruments. The revised strategy should therefore build on the progress already achieved and combine realistic deployment timelines with measures that enable investment across production, transport, storage and consumption. As the German example for the core network shows, de-risking infrastructure is the prerequisite for the market ramp-up, as it provides the essential foundation for the other parts of the value chain to proceed towards realising investments.

Key asks for the revised strategy

1. Maintain an ambitious long-term direction while establishing realistic timelines and a credible implementation pathway

The Commission should reaffirm hydrogen's strategic role in decarbonising Europe's economy, integrating renewable energy and strengthening Europe's resilience. Where earlier interim expectations no longer reflect market developments, Europe should adjust the pathway and sequencing, not the destination.

2. Build on the progress already achieved and provide regulatory continuity and confidence for investors

Europe is not starting from scratch. The regulatory, technical and infrastructure foundations established since 2020 should be implemented consistently and developed further. The revised strategy should preserve regulatory stability, accelerate practical implementation and encourage investment decisions across the value chain.

3. Recognise infrastructure as a prerequisite for market development

Production potential, industrial demand, storage sites and import routes are distributed across Europe and must be connected through an integrated network. Infrastructure can link markets, aggregate supply and demand and give consumers access to diversified sources and transport routes. It is therefore not simply the result of a functioning market, but a prerequisite for creating one. Fostering investments in hydrogen infrastructure in an anticipatory manner should be a primary focus of the revised hydrogen strategy.

4. Enable anticipatory infrastructure investment through effective European de-risking and financing instruments

Transmission networks for hydrogen will need to be developed before transport demand is fully established. This creates temporary under-utilisation and revenue risks that individual market participants cannot address alone, particularly for cross-border infrastructure with wider European benefits. The Commission should support effective de-risking instruments and align them with the revised TEN-E framework and future EU financing instruments.

5. Embed hydrogen in Europe's resilience strategy

Hydrogen offers a unique chance for Europe to use domestic renewable resources more effectively, connect electricity and molecule-based energy systems and additionally provide long-term storage, diversify supply routes and reduce fossil-fuel import dependence. A strong European hydrogen value chain can also support clean-tech manufacturing, technological leadership and high-quality employment.

Germany's hydrogen core network shows that implementation has started

The German hydrogen core network is already moving from planning to delivery. A total of 536 kilometres have been realised and are partially already in operation to date, and a further 900 kilometres are expected to be added by the end of 2027. This provides early operational experience and demonstrates that if an appropriate regulatory framework is in place large-scale hydrogen infrastructure can be developed step by step while the market is emerging. It could serve as a possible model for a European equivalent.

The start of capacity marketing is producing concrete market signals. Since 19 March 2026, market participants have been able to reserve entry and exit capacities on a binding and fee-based basis for the first time. By end of October, almost 6 GW had been reserved, approximately twice the level recorded in May 2026. Demand has therefore exceeded initial expectations and indicates that market participants are prepared to make tangible commitments where infrastructure availability becomes credible.

These developments do not yet constitute a mature hydrogen market. They do, however, show that infrastructure deployment and early market commitments can reinforce each other. The revised strategy should build on such practical progress, create continuity for investors and focus on the remaining barriers preventing production, consumption, transport and storage from reaching scale.

Why action is needed now

The experience of recent years also demonstrates that the hydrogen value chain cannot be developed through isolated measures. Uncertainty in one segment delays investment decisions in others. Production, consumption, transport, storage and imports therefore need to scale in a coordinated way. The renewed strategy should provide the common European framework for this coordination and focus on the remaining barriers to final investment decisions. The German Intertemporal cost allocation mechanism could serve as a model on European level.

Hydrogen infrastructure has a central role in this process. By connecting domestic renewable production, industrial demand, storage facilities and import routes, it can provide flexibility, complement the electricity grid and strengthen sector integration. A well-connected European hydrogen market can make fuller use of domestic renewable resources while offering access to diversified imports and supply routes.

Conclusion

Europe has established important foundations for the hydrogen economy. The task now is to encourage grid users to take FIDs through an appropriate investment framework and financial support but not to scale back ambitions. By building on current momentum and enabling timely infrastructure development, the revised strategy can advance an integrated, resilient and competitive European hydrogen market.