DSO ENTITY
DSOs FOR EUROPE

DSO Entity's response to the European Commission's targeted consultation on a Renewed Hydrogen Strategy

23 November 2026

DSO Entity supports a renewed Hydrogen Strategy that concentrates hydrogen where it delivers the greatest value, but the Call for Evidence **overlooks the distribution level** on which much of that value depends. Infrastructure is framed primarily as pipelines and storage, while the role of distribution-level infrastructure in connecting hydrogen production, storage and end users is **not explicitly addressed**; demand is framed as large industrial clusters and ports; "infrastructure operators" appear only in the target-audience list. **Blending or repurposing of gas distribution grids, hydrogen valleys and distribution-level offtake are all absent.**

DSO Entity's recommendations:

1. **Explicitly include the DSO dimension and enabling role of gas DSOs**

The Call for Evidence describes hydrogen infrastructure as pipelines and storage, and hydrogen demand as large industrial sites, refineries, ports and airports. The distribution level is not explicitly mentioned once. That framing leaves out part of the problem it sets out to solve. The majority of mid-size industrial consumers in sectors such as glass, ceramics, food processing and speciality chemicals are **connected at gas distribution level, and hydrogen valleys typically combine production, storage and offtake below the transmission grid**. Where hydrogen has a future in these settings, gas distribution networks are the enabling link. This gives them a strategic role in any hydrogen, blending or decarbonization pathway. The role of hydrogen at distribution level will differ across Member States, regions and customer segments, depending on local demand, existing infrastructure, alternative decarbonisation pathways and system-cost considerations.

Many future hydrogen consumers, including medium-sized industrial users and hydrogen-ready thermal power plants, may depend on repurposed gas distribution-level infrastructure to access the emerging European Hydrogen Backbone. Industrial clusters are not exclusively directly connected to this backbone and regional **hydrogen valleys often rely on distribution networks to link production, storage and consumption**. The role of gas and hydrogen distribution networks therefore merits explicit consideration in the renewed Strategy, including in relation to infrastructure planning, network repurposing and coordinated electricity, gas and hydrogen network development. Gas DSOs in particular have built up substantial hydrogen-readiness and safety expertise through blending trials and network conversion and repurposing projects, and this expertise should be drawn on as the Strategy is developed.

Therefore, DSO Entity recommends the following:

- ⇨ **Add a distribution dimension** to the analysis, covering both the electricity distribution grids that connect electrolysers and the gas and hydrogen distribution networks that serve end users.
- ⇨ **State explicitly what prioritisation means** for distribution-level hydrogen use, so that network repurposing plans rest on a clear EU signal.
- ⇨ **Ensure that EU funding instruments remain accessible** to distribution-scale projects and hydrogen valleys, not only to large transmission-connected installations.

- ⇨ **Recognise the possibility of repurposing existing gas distribution infrastructure for hydrogen or blending** where this is technically and economically viable. Making use of existing infrastructure in this way, rather than building new assets from scratch, avoids unnecessary additional costs being passed on to network users.
- ⇨ **Recognise that existing gas DSOs can facilitate hydrogen deployment** through their infrastructure knowledge, technical and safety expertise, operational experience and proximity to consumers, including when assessing and implementing the repurposing of existing gas distribution networks where technically and economically justified.
- ⇨ **Adopt a flexible, technology-open approach to blending and repurposing** that reflects local infrastructure conditions and demand patterns, recognising that there is no single solution that fits every Member State, region or network.
- ⇨ **Recognise the importance of coordinated local and regional infrastructure planning,** particularly where hydrogen production, distribution-connected demand and electricity network constraints are closely linked.
- ⇨ **Strengthen coordination between transmission and distribution network operators**, including the assessment of bidirectional flow capabilities where technically feasible and economically justified, to optimise infrastructure utilisation and facilitate the integration of decentralised hydrogen production and regional demand.

2. Ensure coherence with the Gas and Hydrogen Package

The Strategy aims to support effective implementation of the existing regulatory framework up to 2030. That framework already addresses distribution, and Member States are putting it in place now. Directive (EU) 2024/1788 designates hydrogen distribution network operators as a distinct category, requires them to submit a hydrogen distribution network development plan to the regulatory authority every four years. Those plans are to be drawn up in close cooperation with gas, electricity distribution system operators and district heating and cooling operators, and Member States may allow joint plans. By concentrating primarily on transmission-connected industry, the Call for evidence does not address what role, if any, hydrogen is expected to play at distribution level.

Therefore, DSO Entity recommends the following:

- ⇨ **Clarify the expectations for distribution-level hydrogen use.** Gas DSOs are preparing repurposing and decommissioning plans now, and without a clear strategic signal, there is a risk of premature decommissioning of assets that could be efficiently repurposed for hydrogen. Where technically and economically justified, repurposing existing distribution infrastructure can accelerate hydrogen deployment, reduce investment needs and avoid unnecessary duplication, while protecting network users from avoidable costs.
- ⇨ **Ensure that the renewed Strategy provides a coherent policy framework for coordinated electricity, gas and hydrogen network planning requirements** under Art. 56 and 57 of Directive (EU) 2024/1788. The Strategy should provide sufficient visibility on the expected role of hydrogen across sectors and regions to **support Distribution Network Development Plans (DNDPs)**, hydrogen network planning, repurposing decisions and decommissioning strategies, taking account of regional circumstances, credible future hydrogen demand and the costs for network users. The Strategy should provide sufficiently robust and consistent assumptions on future hydrogen demand and infrastructure development to support coherent planning scenarios across transmission and distribution networks.

DSO Entity stands ready to contribute the distribution-level expertise of its electricity, gas and hydrogen members to the development of the renewed Hydrogen Strategy.