Subject: High time for the European Commission to decide on RFNBO delegated act to enable informed debate and vote in the European Parliament and Council

Dear Commission President von der Leyen, Dear Executive Vice-President Timmermans, Dear Commissioner Simson, Dear Commissioner Vălean, Dear Commissioner Breton,

On 14 September, the European Parliament voted very narrowly in favour of an amendment that takes the drastic step of eliminating the legal basis for a delegated act on Renewable Fuels of Non-Biological Origin (RFNBOs).

We regret this decision by Members of the European Parliament, as it seeks to derail the almost final stages of the decision-making process in the Commission on the RFNBO delegated act. The European Parliament would have had an opportunity later this year to object to a final text rather than basing its decision on various draft versions of the delegated act.

This position of the European Parliament is not helpful for a nascent industry, whose first and foremost priority is regulatory certainty. Without rules, certification of domestic renewable hydrogen production cannot move ahead and this will also create uncertainty around future hydrogen imports. Instead of a clear framework by the end of 2022, directly applicable across the EU27 and providing guidance on imports, the hydrogen industry may now be faced with a long drawn out process to transpose a Directive into 27 sets of national law, if the Parliament position is adopted.

The European Commission has debated the RFNBO delegated act for a long time and the legal deadline for adoption (December 2021) has already passed. **We urge the Commission to finally adopt the delegated act and give Parliament and Council the opportunity to engage in a proper debate on this text.** Thanks to the active involvement of hundreds of stakeholders and many public debates on the topic, the European Commission is in a position to swiftly adopt a text that finds a proper balance between enabling a rapid growth of the renewable hydrogen industry, while ensuring RFNBOs reduce emissions as intended.

As a coalition of environmental organisations and industry, we understand the need for a transition period to start producing renewable hydrogen. However, there must be a clear set of rules that, in exchange for significant government support that the renewable hydrogen industry will receive, ensures that renewable hydrogen actually reduces emissions, without pushing gas demand and electricity prices higher. The EU's very high ambitions for renewable hydrogen (requiring the

equivalent of France's annual electricity generation) must not be allowed to undermine the ongoing decarbonisation of the electricity sector, especially at a time when electricity and gas prices are at a record high following the Russian invasion of Ukraine. **Permanently exempting a substantial portion of electrolysis capacity installed in the next few years from deploying or financing additional renewables would be unwise in the current context.** Moreover, the 2018 Renewable Energy Directive does not provide a sound legal basis for such a decision.

Last but not least, <u>recently published research</u> by the Florence School of Regulation shows that concerns about high ambition for additionality and strict temporal and geographical correlation are overblown and result in comparatively minor economic disadvantages as well as many positive side-effects (lower carbon footprint, lessening impact on consumers, cheaper renewables, less gas demand and reduced import dependency). Therefore, the principle of additionality, combined with hourly temporal and bidding zone geographical correlation, must be maintained to ensure renewable hydrogen's role as an effective and credible decarbonisation vector.

Yours sincerely,

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