Joint Statement on the Low-Carbon Fuels certification Delegated Act

The co-signatories of this letter represent project developers, producers, infrastructure operators, market stakeholders and users of low-carbon fuels, which include e.g. low-carbon hydrogen and its derivatives. Low-carbon fuels are produced from non-renewable energy sources and meet a GHG emissions reduction threshold of 70%. They include notably low-carbon hydrogen and its derivatives and can be produced from various energy inputs and via different productions pathways, such as low-carbon electricity or natural gas with CCUS.

The co-signatories of this letter **welcome the intention of the European Commission to define the necessary elements for the certification of low-carbon fuels** (Art. 9 of the Hydrogen and Gas Directive) in order to **support a clear regulatory framework, a prerequisite for their needed ramp-up**. Indeed, globally, low-carbon hydrogen is likely to represent a significant source of hydrogen supply and demand especially in the transition toward net zero[1].

In the context of the drafting of the Delegated Act, **the co-signatories wish to express key recommendations** regarding the guiding principles laid down in Articles 9 and 92 of the Hydrogen and Gas Directive.

These guiding principles must be implemented **ensuring regulatory certainty and clarity** for project developers, whose timelines extend beyond the already foreseen 2030 review of the Delegated Act (Art. 92 of the Hydrogen and Gas Directive). For projects launched before this review, the co-signatories consider as essential to maintain stable regulatory requirements during their operating lifetime, which may extend beyond the review.

Certification of low carbon fuels is necessary to enable supply, trade, and demand for domestic and global volumes. One of the pillars of the certification is the accreditation of Voluntary Certification Schemes: the co-signatories encourage the European Commission to facilitate a swift and efficient process of accreditation.

The co-signatories:

- Support the intention to **deliver this Delegated Act efficiently and swiftly** in order to establish a clear regulatory framework to support the ramp-up of low-carbon fuels, while making sure that accelerated drafting process does includes all production pathways.
- Welcome the intention to apply equivalent **requirements for domestic and imported** low-carbon fuels to ensure a necessary level playing field.
- Consider that the **70% GHG emissions threshold should be the sole benchmark for the low-carbon status**. The co-signatories consider necessary to **include in the Delegated Act the possibility to recognise and provide adequate proof** of better performance of individual projects, at each step of the production process, compared to the default GHG emission values to be **set in the Delegated**

[1] In its World Energy Outlook 2023, the IEA considers that hydrogen from fossil fuels with CCUS could represent around 26-32% of the low-emissions hydrogen produced in the world in 2030 and 21-27% of the low-emissions hydrogen produced in the world in 2050 across the various scenarios. These figures could be even higher if all technological pathways were considered as fossil based low-carbon hydrogen is a subset of the EU low-carbon hydrogen e.g. not including electrolysis-based hydrogen from low-carbon electricity.

Act. This will foster innovation and encourage overall emissions reduction. In that framework, any default values should be subject to review by **the European Commission**.

- Guarantee that this certification process and demonstration of better performance **should be simple and credible in providing certainty about the GHG credentials of the low-carbon fuels**. It must help to standardise a market product that is credible, traceable, tradeable, easy to communicate and practicable.
- Underline the need to **ensure consistency with the requirements of the Methane Emissions Regulation** and to **leverage the improving data availability and granularity** of its implementation.
- **Stress the importance of considering the technical maturity and availability of hydrogen leakage detection technologies**, a prerequisite before their integration to the GHG emissions calculation of low-carbon fuels and RFNBO.
- **Welcome the intention to create a link with the RED Union Database** and encourage the European Commission to **ensure that the provisions defined for renewable gases are also applicable** to low-carbon gases, specifically those related to the mass balancing of gaseous fuels as per the Renewable Energy Directive[2] and its Implementing Act on rules to verify the sustainability and GHG emissions savings[3].

The co-signatories stand ready to provide further input and encourage the establishment of collaborative stakeholders' dialogue and forum to shape effective and inclusive policies accelerating the deployment of all low-carbon fuels technologies.

Carbon Capture & Storage Association

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[2] Directive (EU) 2018/2001
[3] Implementing Regulation (EU) 2022/996