

The Consumer Voice in Europe

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7 November 2022

Subject: Additionality is crucial in the Renewable Energy Directive

Dear Member of the ITRE Committee,

In the context of the cost of living crisis and soaring energy prices, we at BEUC, the European Consumer Organisation, welcome the widespread effort to implement the European Commission's REPOWER EU package.

However, we are greatly concerned by the issue of gaseous and liquid fuels produced from hydrogen (RFNBOs), on which during voting on the Renewable Energy Directive (COM/2021/557 final), the EP Plenary took the drastic decision to completely abandon additionality rules for RFNBOs.

This decision is likely to further increase consumers' electricity bills, endangering EU and Member State efforts to ensure that consumers have access to affordable electricity. It will also threaten the EU's climate targets by not ensuring that hydrogen fuels be clean.

Why should RFNBOs only be produced with additional renewable electricity?

To prevent additional pressure on retail energy prices:

The production of RFNBOs requires tremendous amounts of electricity. For this reason, strict requirements are needed to ensure that the additional electricity demand will not lead to further pressure on consumers' electricity bills. This will be achieved only if RFNBO producers exclusively use electricity from new renewable power installations that they built, or which they invested in, specifically for the task of producing those fuels. Only under this condition will RFNBOs contribute to our decarbonisation objectives while keeping consumers' electricity bills under control.

If this condition is not met, then producing RFNBOs will lead to an increase of the overall demand for electricity and thereby increase consumers' electricity prices. As a consequence, all the work carried out by the Commission and Member States to protect consumers during the ongoing energy price crisis may come to virtually nothing.

To avoid increasing carbon emissions:

Beyond economics, there is also the sustainability argument to bear in mind. If RFNBOs are not produced from renewable electricity generated by new purpose-built renewable power plants, then to produce these fuels, the energy system will need to increase power generation from gas, nuclear or coal. While electricity generation from fossil fuel power plants can be rapidly increased based on the needs of the energy system, this is not the case for wind and solar power. Therefore, if the additionality requirement is not met, the additional electricity demand in the short term will need to be covered by additional fossil fuel power production, leading to higher emissions.

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For these reasons, we urge all MEPs involved in the trilogue process to revert to the original legislative proposal put forward by the European Commission, reinstating the additionality clause for RFNBOs which requires them to be produced with additional renewable electricity. This is the only way the EU can guarantee that production of RFNBOs does not lead to an increase in consumers' electricity prices and will truly lead to decarbonisation.

We thank you for your consideration and remain available for discussions on the topic.

Yours sincerely,

Monique Goyens
Director General