

28 February 2022

Subject: Consumers' electricity bills should not be used to finance the production of hydrogen

Dear Commission President von der Leyen,

We are writing to you to express our concern about the delegated act on Renewable Fuels of Non Biological Origin, that the European Commission is currently finalising. We are worried that the draft now under discussion could lead to a situation where the production of these new 'green' fuels would put our decarbonization efforts at risk and dramatically increase consumers' energy bills.

As the EU is undergoing an unprecedented energy prices crisis, EU decision-makers are currently discussing a number of policy measures to help protect households while putting us on track to meet our climate goals. We welcomed different policy measures (accelerated switch to renewables, increase of our energy efficiency efforts) proposed by the Commission within the 'Fit for 55' package, where they help Europe to curb its greenhouse gas emissions as well as protect consumers from price volatility in energy markets.

This approach of prioritising the solutions that shield consumers against price volatility whilst contributing to our climate goals needs to be applied consistently. This is why we are particularly worried about the latest developments in the drafting of the delegated act on Renewable Fuels of Non-Biological Origin (RFNBO). This delegated act is supposed to set criteria for the production of new renewable fuels, like hydrogen or e-fuels which will be needed to decarbonise the industrial sectors, such as steel or cement, where emissions are hard to abate. Science is clear that, to be truly sustainable, these fuels need to be produced using renewable energy. If not, they will be even worse than the fuels they are supposed to replace.

Therefore, we agree with setting a high ambition for the roll out of RFNBO on the condition that these 'green' e-fuels will be produced thanks to additional supply of renewables. If this condition would not be met, the risk is that these fuels will be produced in large amounts through expensive and polluting gas-fired power plants. This would not only be unsustainable and at odd with our climate objectives but also put it would also put a huge strain on European energy markets and probably lead to consumers electricity bills skyrocketing. To match with the expected demand of e-fuels in 2030, it is indeed estimated that Europe will need 500 TWh of additional electricity production, the equivalent of adding the annual consumption of France to our electricity demand. If this increase of the demand is not matched with additional renewable capacity, it is unavoidable that electricity prices will go up exponentially and worsen the difficulties of European households, especially of energy poor.

To avoid this worst-case scenario, it is essential that the Commission requires RFNBOs to be produced with additional renewable electricity, in line with the Renewable Energy Directive. Only under this condition will the new e-fuels contribute to our decarbonization objectives while keeping consumers electricity bills under control.



Any transition period under consideration needs to be short and stop well before the planned scale-up of the production of these e-fuels needed to meet the ambitious 2030 targets.

We look forward to hearing your response and remain available for a discussion on this topic.

Yours sincerely,

Monique Goyens, Director General
The European Consumer Organisation (BEUC)

William Todts, Executive Director
Transport & Environment

PS: We shared the same letter with Commission Vice-President Timmermans, Commissioner Simson and Commissioner Breton.