

**Subject: Hydrogen must be produced with new renewable electricity to safeguard the Commission's action on energy prices.**

Dear President,  
Dear Executive Vice-President,  
Dear Commissioners

The war in Ukraine has put Europe's energy independence not only at the top of the political agenda but also of people's minds. European consumers have seen their electricity bills skyrocket in the past year as a result of a fourfold year-on-year increase in gas prices.

The European Commission, as well as national governments, have relentlessly worked over the past months to provide relief to European consumers during these difficult times, especially to the most vulnerable. The Commission has also laid out a strategy that will lead Europe to become independent from Russian gas, as it is the only way to shield consumers from high gas prices.

We welcomed these initiatives as they provided and will provide consumers the support that they need to overcome this difficult situation.<sup>1</sup>

However, we are concerned that all the progress that has been made to protect consumers is now under threat because of the ongoing European Commission work on the delegated acts setting sustainability requirements for transport fuels produced from hydrogen (so-called Renewable Fuels of Non-Biological-Origin, hereinafter RFNBOs), currently under public consultation.<sup>2</sup>

**RFNBOs should be produced only with additional renewable electricity**

The production of RFNBOs requires tremendous amounts of electricity. For this reason, it is fundamental that the Commission sets strict requirements ensuring that the additional electricity demand will not lead to further pressure on consumers' electricity bills.

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<sup>1</sup> BEUC, [REPowerEU will help accelerate the energy transition but consumers still face practical barriers at the local level](#), 18 May 2022 and BEUC, [Rising energy prices: EU package of measures good for consumers](#), 13 October 2021.

<sup>2</sup> For reference, see European Commission published initiatives on [Production of renewable transport fuels – share of renewable electricity \(requirements\)](#) and on [Renewable energy – method for assessing greenhouse gas emission savings for certain fuels](#).

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. The rules should be in line with the revised Renewable Energy Directive. 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.

### **No transition period**

With the REPowerEU plan, the European Commission is planning to massively increase the production of RFNBOs already in this decade. It is therefore paramount that these strict requirements fully enter into force immediately and no exemptions are allowed. All hydrogen plants disregarding the start of their operation should comply with the rules.

Weak requirements would be bad news for European consumers as this would lead to an increase in electricity demand, hence further increasing prices. This will happen in a period in which such prices will already be very high, as Europe will still be dependent on expensive Russian gas to meet its power generation needs.

Lastly, failing to set such strict rules will also go counter Europe's decarbonisation objectives. This is because the additional electricity demand generated by RFNBO production will need to be satisfied by fossil fuel power plants, if RFNBO producers do not invest in and deploy additional renewable electricity generation at the same time.

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

Yours sincerely,

Monique Goyens,  
Director General