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BSP opinion on the Commission Delegated Regulation supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and by specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuels

Business and Science Poland would like to thank you for the opportunity to comment on the issue of Commission Delegated Regulation on establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuels.

The Annex to the Delegated Regulation defines elastic inputs and rigid inputs and allocation of emissions to co-products on the basis of economic value. We propose to completely abandon the references in the delegated act to "economic value" and use "energy content" for the calculation. The economic allocation is subject to both temporal and geographic variability that could potentially lead to different effects, including different GHG emission levels depending on the moment or region chosen, without sufficient justification for these differences in view of the purpose of the delegated act.

Climate neutrality by 2050 is an ambitious goal, although achievable by EU Member States. However, in order for the target to be achieved without unnecessary additional damage to the European economy, decarbonisation must be carried out gradually. Therefore, we propose to extend the period for the use of "non-sustainable CO₂" from 2035 to at least 2045. Furthermore, in the case of RFNBO hydrogen as intermediate product for the production of conventional fuels (and other transport fuels) we are seeking for more precise guidelines. Our view is to explicitly recognize that RFNBOs (hydrogen) when used as intermediate for the production of transport fuels should have the same the emission intensity of the RFNBO as final fuel before considering compression, transport and distribution steps.

In point (8) of the Regulation, there is an information that *renewable liquid and gaseous transport fuels of non-biological origin and recycled carbon fuels can be produced in various processes, which may yield a mixture of different types of fuels*. In the case of a mixture of fuels that can be produced in various processes, *the methodology to assess the greenhouse gas emissions savings should therefore be able to derive the actual emission savings from those processes, including processes that yield both renewable liquid and gaseous transport fuels of non-biological origin and recycled carbon fuels*. If the mixture of fuels with the *same physical characteristics is stemming from the same process*, the fuels are considered to have the same emission intensity. Therefore we propose to remove the sentence: *"If a fuel is a mix of renewable liquid and gaseous transport fuels of non-biological origin, recycled carbon fuels and other fuels, all (fuel) types shall be considered to have the same emission intensity"* (recital 8 and point 1 of the methodology in Annex). In our opinion, the level of greenhouse gas emissions from different fractions / types of fuel should be distinguished, and individual fractions / types of fuel should be assigned the appropriate emission level.

Hydrogen is the fuel of the future in the REPowerEU plan. The current scale of hydrogen production in relation to the plan is very low in order to have a chance to achieve the goals set by the European Commission. The production and use of hydrogen should increase many times over. To enable the rapid

development of hydrogen, it is necessary to set real requirements for this market and not to create unnecessary barriers to development. Hydrogen, as a product of many different chemical reactions, can be produced on an industrial scale, also from waste. In our opinion the benchmark for installations using waste for the production of hydrogen and synthetic fuels should be the benchmark of emissions from landfilling or, alternatively, from incineration without energy recovery. The reference for waste to H₂ technology should be the method of waste management in the absence of gasification to H₂, i.e. storage in a waste landfill or thermal transformation, where both of these processes are characterized by much higher CO₂ emissions than the gasification process. The benchmark for a given technology should be the process that would be used in the absence of its application.

We propose also to consider CO / CO₂ feedstock derived from petroleum products as "rigid input" for the purposes of the methodology, when it is an unavoidable and unintended consequence of production processes in industrial installations.

Due to the establishment of one single fossil fuel comparator i.e. 94g CO₂eq / MJ, in our opinion section 1 of the methodology (footnote) mistakenly includes the provision that for hydrogen emissions from compression and transport are not taken into account.

We believe that the emissions related to compression and transport between the place of production and use should be taken into account, which will avoid disproportions and maintain competition between the EU market and external markets from which hydrogen will be imported. This is important in view of the EU's intention to import half of its hydrogen needs from countries that may not be able to meet the requirements to the same extent as Member States. Excluding this element from the calculations will distort competition. We consider it necessary to create a level playing field for all fuels, taking into account the total Well-to-Wheels factor, since when using hydrogen carriers, the total greenhouse gas emissions can even double (taking into account the logistics of the supply of hydrogen imported to the EU) compared to with direct production of hydrogen and its transport to a retail station (depending on the distance and energy carrier selected at the stage of transport).

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