

16 March 2023

Joint ministerial letter from **Austria, Denmark, Germany, Ireland, Luxembourg, Portugal, Spain** on the Renewable Energy Directive and Article 8a of the Gas Directive

Dear Executive Vice-President Frans Timmermans, dear Commissioner Kadri Simson,

The Fit-for-55 Package consists of a number of regulations including the EU Emission Trading System (ETS) and Effort Sharing Regulation which follow a technology-neutral approach. Therefore, different decarbonisation technologies and pathways chosen by Member States are recognized as contributing to the reduction of greenhouse gas emissions.

However, with regards to the renewable energy directive, we would like to reiterate that our long-standing position on low-carbon hydrogen and renewable fuels of non-biological origin (RFNBOs) is unchanged. We share the view that the production and use of low-carbon hydrogen and low-carbon fuels should not be incentivised through a directive on the promotion of renewable energy, especially by accounting them towards the overall 2030 or any sectoral renewable energy targets or deducting them from the denominator. This includes our clear opposition to the link between low-carbon fuels and such targets under Article 8a of the Gas Directive.

Taking into account low-carbon hydrogen and low-carbon fuels in the 2030 RES targets would decrease the ambition and slow down renewables deployment, which in turn would jeopardize the achievement of the climate targets including the Paris Agreement. This decade is decisive in limiting the rise in global temperatures and for taking the necessary steps towards net-zero. Renewable electricity and hydrogen will be the main drivers of the decarbonisation, as additional renewable energy capacity can be installed within short timeframes and at comparatively competitive costs.

Decarbonisation in the industry and transport sector in the different Member States is not yet sufficiently advanced. In the next decade, new renewable energy capacity will not replace other forms of low-carbon energy, but displace fossil energy in these sectors. Therefore, we refute the view that an EU framework for the accelerated deployment of renewable energy sources prevents Member States from defining their energy mix. Counting low-carbon energy towards renewable targets would rather reduce our climate efforts and slow down investment in the much needed additional renewable capacity.

The renewable energy directive does not prevent or prohibit Member States from using other low-carbon hydrogen and low-carbon fuels. Other Member States may choose to achieve decarbonisation by renewable energy only. This is our preferred way forward as we consider it is the only safe and sustainable

pathway towards climate neutrality and energy security. We are open to discuss complementary decarbonisation pathways through low-carbon hydrogen and low-carbon fuels in other regulatory frameworks such as the Gas Package. As low-carbon hydrogen and low-carbon fuels may play a role in some Member States, a clear regulatory framework for them is needed and are, to a large extent, addressed in the ongoing revision of the Gas Regulation and the Gas Directive. This includes access to markets and grids, a delegated act defining low-carbon hydrogen and low-carbon fuels based on a credible fossil fuel comparator and an ambitious greenhouse gas life cycle emission reduction target, as well as a robust traceability and transparency mechanism to avoid greenwashing.

Sincerely yours,

Leonore Gewessler, Minister for Climate Action, Environment, Energy, Mobility, Innovation and Technology, **Austria**

Lars Aagaard, Minister for Climate, Energy and Utilities, **Denmark**

Robert Habeck, Minister for Economic Affairs and Climate Action, **Germany**

Eamon Ryan, Minister for Environment, Climate and Communications, **Ireland**

Claude Turmes, Minister for Energy, **Luxembourg**

Duarte Cordeiro, Minister of Environment and Climate Action, **Portugal**

Teresa Ribera, Deputy Prime Minister and Minister for the Ecological Transition and the Demographic Challenge, **Spain**