



Law

## Feedback from: Bioenergia ry - the Bioenergy Association of Finland

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The Bioenergy Association of Finland

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Business association

**Organisation**

Bioenergia ry - the Bioenergy Association of Finland

**Organisation size**

Micro (1 to 9 employees)

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Finland

**Initiative**

[Methodology to determine the greenhouse gas \(GHG\) emission savings of low-carbon fuels](#) ([//info/law/better-regulation/have-your-say/initiatives/14303-Methodology-to-determine-the-greenhouse-gas-GHG-emission-savings-of-low-carbon-fuels\\_en](#))

The Bioenergy Association of Finland represents the interests of the bioenergy sector in Finland. The association would like to thank the Commission for this well-prepared draft delegated act, which we welcome. It will bring the needed clarity to the regulatory landscape to incentivise low carbon fuels and carbon capture to utilization. It is a needed assurance for the producers in finalizing their feasibility studies. With this last piece of legislation in place, the projects can move forward. In Finland we have some 15 announced projects that would utilize biogenic CO<sub>2</sub> and renewable hydrogen to produce low-carbon fuels. Due to the low-carbon electricity grid of Finland, the Finnish companies are mostly interested in the production of low-carbon hydrogen and our remarks will therefore mainly concentrate on the production route defined in the Article 6(a) of the Annex. Positive aspects Good regulatory fitness. The delegated act and its terminology should be coherent with other legislation. If any relevant criterion is defined elsewhere, this delegated act should refer directly to the appropriate legislation. The delegated act is linked to the Gas market directive, and therefore, any rules or concepts that are specific to other legislations should not be used in the low carbon delegated act. References to the gas market directive, the RED3, the methane regulation, etc. are appropriate as they are written now. Market neutrality. The delegated regulation does not introduce any elements that would distort the general energy market. Co-production of RFNBO and low carbon H<sub>2</sub>. The Association thinks it is important that the rules allow the production of low-carbon hydrogen and RFNBO hydrogen in the same facility as flexibly as possible. Also, the state aid schemes should enable companies to produce both end-products in the same facilities. Therefore, it is also necessary that the methodologies of low-carbon and RFNBO production are based on the same logic. No default values for fossil-based hydrogen. We welcome the principle of +40 % markup for unverified fossil-based hydrogen. Using country-level averages would allow dirtier than average producers to benefit. Responsible suppliers will audit their own value chain as defined in methane regulation as early as possible. Further clarification needed Clarification of emission reduction rules. When finalizing the methodology for determining the greenhouse gas emissions from low-carbon fuels, it is important to analyze once more that also the derivatives of low-carbon hydrogen, e.g. low-carbon methanol, are realistically able to meet the 70 % threshold. Also, the companies would appreciate a clarification to what the end-product is if it does not fulfill the 70 % threshold. Rules need to be unambiguous from the start. The rules of the draft delegated are very detailed and demand high-level expertise and forecasting from companies. There is a risk that rules that are based on data that is not predictably or reasonably available for individual companies will hinder the development of the market. It is unfeasible if the producer would only afterwards know if their produced hydrogen was RFNBO, low carbon, or neither. Therefore, we ask the Commission to once more assess the rules from project and company perspective to ensure that the different production routes enable viable business cases and predictable production profiles of the facilities. The companies and their financial partners need to understand which products the facilities produce and when in order to sign

binding agreements. Early projects need regulatory longevity. Last and definitely not the least, the Association emphasizes the importance of clear and consistent regulatory environment for the development of the European biofuels and low-carbon fuels. Companies are eager to move forward with their investment plans as soon as they have clear, consistent and stable production rules and binding mandates in sight.

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