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EU consultation feedback: Renewable and recycled carbon fuels – extending the scope of traceability of the EU database

Bioenergy Association of Finland represents bioenergy sector in Finland including liquid and gaseous renewable fuels.

Our main message is that draft regulation should be suspended and re-evaluated with extra time. The deadline for application should be postponed until January 1, 2026.

We consider the Union database (UDB) an important and relevant tool to ensure credible verification of sustainability criteria. However, we are very concerned about the administrative burden and costs the draft poses to SMEs. We also note that the political guidelines of the re-elected Commission President von der Leyen seek to avoid such unnecessary burden.

The draft has major problems in definitions and the system boundary. These must be resolved in close cooperation with the industry and the Member states.

Additionally, the timeframe to set up a functioning UDB is unrealistic, and we urge the Commission to solve the numerous major challenges repeatedly raised up by 16 Member States before making the database a mandatory tool.

Article 2 (4)

We do not support the inclusion of national schemes not recognised by the Commission. The RED3 directive was negotiated to have different options for Member States setting up sustainability verification at the national level respecting national competence when transposing the directive. In Member States where the national scheme is not recognised by the Commission, the responsibility to add data into the UDB lies with the economic operators. The national competent authorities may give guidance on that matter or may take the responsibility on behalf of raw material producers.

Article 3

Exempt biogas and biomethane producers below 2 MW capacity.

The draft Delegated Act respects the exemption threshold from sustainability certification provided by the RED (Article 29(1)). However, application of the RED may be different across Member States, which creates uncertainty about the exemption of biogas or biomethane producers below 2 MW to use the UDB.

We recommend explicitly excluding those small fuel producers from the scope of registration into the UDB.

Article 3

The Delegated regulation defines an *economic operator* very broadly as a company or legal entity in any way attached to raw materials that are used for the production of gaseous and liquid fuels under the directive. In our understanding this is very much broader than what the RED3 directive entitles the Commission to go downstream. The RED3 directive 31 a (2) is referring to *“extending the scope of the data to be included in the Union database to cover relevant data from the point of production or collection of the raw material used for the fuel production”*.

It is also legally problematic that this draft defines “economic operators”, whereas in article 29 of the RED3, “operator” is defined narrowly as the entity in charge of showing compliance to sustainability requirements.

The boundaries of delegation should be understood in a way that the “operator”, as defined by article 29, oversees collecting the information into the UDB, not the entities downstream. Operators mitigate the risks in several ways based on their sustainability systems. Additionally, third party audits enforce this action and limit the risks of fraudulence.

Article 3 (4)

The draft regulation requires raw material providers’ (i.e. farmers or used oil providers etc.) contact information and total production capacity for registration. This is an excessive requirement and may narrow down the potential raw materials and therefore be against the objective of the RED3 directive on promoting renewable energy.

We propose that the UDB does not require production capacity at registration, but instead makes the personal information and production capacity a verification item during a sustainability scheme audit.

Article 3(5)

It is proposed that a 'Union Database Manager' would review the requests of raw material inclusion into the list, together with the Voluntary Scheme or National Scheme, in the case a specific type of raw material cannot be found from the predefined raw material lists. While there should be a possibility for economic operators to request additions to the database's raw material lists, we underline that the classification of the feedstocks is in the exclusive competence of the respective Member States. Thus, the Union Database Manager should not have any role in the review of these requests.

Therefore, we recommend that it should be clearly stated in the paragraph that the assessment of the request is done by the Voluntary Scheme or National Scheme with the Member State.

Article 5 (1)

The draft regulation requires that Economic Operators must enter transactions in the UDB within three working days from a list of five triggering points. Three working days does not realistically provide enough time for this input. It takes significant time for sellers to run shipment reports for all locations and cross-reference them with the mass balance. To ensure accurate reporting, it is requested that the UDB allows 30 days.

Article 7

We acknowledge the importance of implementing robust traceability mechanisms. However, the registration of the raw material supply chain was not foreseen for the gaseous value chain based on informal information given by the European Commission during the past two years.

The requirements put forward in the draft Delegated Act imply substantial workload for the value chain, including farmers and small waste management operators. Should the Delegated Act be adopted in December, the timeline would give less than 6 months to the sector to get prepared and effectively comply. This deadline is simply too short.

We call for the application to be at least 12 months after the entry into force. This will ensure a smooth transition, adequate information and training time, and minimize disruptions to ongoing operations.

Further information:

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