Minister Sikela

cc: Ministers of Energy and Transport of EU Member States, Executive Vice President Timmermans, Commissioner Simson, Commissioner Vălean, MEP Pieper

Brussels, 7 December 2022

Subject: Lack of binding RFNBOs targets as part of the Renewable Energy Directive

Dear Minister Sikela,

The signatories of this letter would like to share our deep concerns regarding the ongoing discussion on the Renewable Energy Directive.

Renewable hydrogen is a fundamental part of Europe's decarbonisation and energy security strategy, as presented in the Fit for 55 package and the European Commission's REPowerEU communication. Renewable hydrogen and its derivatives will be essential to achieving the widespread use of renewable energy sources in hard-to-abate industries and in the transport sector. The EU's own hydrogen strategy, as well as many national hydrogen strategies, refer clearly to this aspect. However, this is not reflected sufficiently in the ongoing trialogues. This is why we believe that ambitious and binding RFNBO (renewable fuels of non-biological origin) quotas for both industry and transport are so important.

Binding targets will send a strong market signal and will accelerate much needed investments into production, transport, storage and end-use of hydrogen infrastructure. This affects the whole value chain as certainty is boosted by ambitious and clear targets. This issue is especially pertinent given the enormous attraction of the recent US Inflation Reduction Act, and the very real risk of losing significant investment overseas.

The latest text of the Council on the Renewable Energy Directive doesn't include a binding target for RFNBOs in transport, failing to reflect the clearly stated ambition of the REPowerEU plan. Leaving the flexibility to fuel suppliers will reduce clarity on the way forward, to the detriment of investments in corresponding infrastructure.

The European Commission and the co-legislators in the European Parliament strongly support ambitious and binding targets for RFNBOs in transport, along with binding targets for renewable hydrogen in industry.

We firmly call on Member States to adopt an ambitious binding target for RFNBOs in transport along with the binding target for industry, a decisive measure for the EU to meet both decarbonization and security of energy supply challenges.

We remain at your disposal for any questions or further clarifications.



