Public Consultation on Methodology to determine the greenhouse gas (GHG) emission savings of low-carbon fuels

EUGINE Contribution, October 2024

EUGINE welcomes the European Commission's initiative to establish a framework for certifying low-carbon fuels. As representatives of the hydrogen and gas engine power plant industry, we fully support Europe's commitment to the rapid decarbonisation of the gas infrastructure, in line with the goals of the gas package, and the development of a robust hydrogen economy.

Recognising all renewable and low-carbon hydrogen production pathways is essential to build up a diverse and competitive market and allow for the ramp-up of the hydrogen economy:

- **A technology neutral approach enables a wide range of technologies to contribute to Europe's energy transition, scale up hydrogen production, and ensure a diversified energy supply, essential to safeguard energy security**.
- **A flexible approach to renewable and low-carbon hydrogen production pathways is essential to ensure sufficient volumes of hydrogen are available**—not only for industrial use but, crucially, for power generation and transport. Hydrogen will play a key role in powering hydrogen engines, which are vital for delivering reliable, low-carbon energy in various applications.
- **Firm and flexible generation capacity will remain crucial during periods of high electricity demand and low renewable output**. Gas networks already allow large-scale, long-term energy storage, and in the future, hydrogen networks will store excess renewable electricity with the potential to replace natural gas.
- **Many hydrogen engine projects have already been successfully launched**. Notable examples include demonstration projects that convert solar power into hydrogen during the summer, which is then used in winter to produce power and heat. Additionally, other projects are exploring the use of hydrogen engines as backup power sources for data centers.

The methodology for determining GHG emission savings of low-carbon fuels should support the role of hydrogen in long-term energy storage and system stability. In particular, it should set achievable criteria without imposing overly complex or unrealistic barriers to the production and deployment of low-carbon hydrogen.

EUGINE
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ID number 033807913798-84

www.eugine.eu
info@eugine.eu

European Engine Power Plants Association
President
Kari Hietanen
Secretary General
Ralf Wezel

Boulevard A. Reyers 80
1030 Brussels
Belgium
Phone +32 (0)2 706-8212
giovanna.tanda@eugine.eu

Lyoner Str. 18
60528 Frankfurt am Main
Germany
Phone +49 (0)69 6603-1936
julia.luna-peter@eugine.eu

With this in mind, there are important aspects that require further consideration:

1. **Default Emission Factors**

While the link to the Methane Emissions Regulation is welcome, the text should clearly explain how hydrogen producers can demonstrate better performance than the default values outlined in Annex B before the methodology is implemented in 2028. Relying on excessively conservative default emission factors could hinder, rather than encourage, the production of low-carbon hydrogen.

2. **Hydrogen Leakage**

Hydrogen leakage is a valid concern, but research is still ongoing and sufficient data is not yet available. Additionally, hydrogen leakage detection technologies are either underdeveloped or not yet widely available. Including this issue in the current methodology could indeed add unnecessary complexity and potentially slow down the deployment of low-carbon fuels.

3. **Legislative Coherence**

In order to guarantee legislative coherence across all emission-related legislation, we strongly recommend that the proposed methodology be in line with default factors and standard values proposed in delegated acts (e.g. 2023/1185), as well as FuelEU Maritime, ReFuelEU Aviation, RED III and international standards such as the IMO Greenhouse gas Fuel Standard.

4. **Double-Counting of Emissions**

The delegated act considers greenhouse gas emissions from the production and use of low-carbon fuels, from emissions from supply of inputs to processing, transport and combustion. Regarding particulary combustion in its end use, we are concerned that unclear provisions might lead to double counting of emissions, especially in cases of co-firing.

EUGINE is ready to contribute further and strongly encourages a collaborative dialogue among stakeholders to shape inclusive policies that accelerate the deployment of low-carbon fuel technologies.

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EUGINE is the voice of Europe's engine power plant industry. Our members are the leading European manufacturers of engine power plants and their key components.

Engine power plants are a flexible, efficient, reliable and sustainable technology, helping to ensure security of electricity supply and providing (renewable) electricity and heat.

For more information please see www.eugine.eu

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