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MEMBER OF THE EUROPEAN COMMISSION ENERGY



Brussels, 15 September 2022 ARES(2022)s5888412



Dear .

Thank you and your co-signatories for your letter of 23 June 2022 to President von der Leyen concerning the REPowerEU Plan and the delegated act under Art. 27 (3) of the Renewable Energy Directive. I am replying on her behalf.

In your letter, you suggest some elements as regards the counting of hydrogen as fully renewable, including a transitional period until 31 December 2029, monthly temporal correlation and the possibility to set a maximum number of full load hours for electrolysers in proportion to the share of renewables in the grid.

The Commission published on 20 May for public feedback a draft of the delegated act¹ setting out criteria for additionality and for temporal and geographic correlation, which, if adopted, would provide safeguards to ensure that renewable fuels of non-biological origin are produced from renewable energy and achieve greenhouse gas emission savings. At the same time, it would provide producers and project developers with sufficient time to implement the requirements and rewards early investments by permanently exempting them from some of the requirements (grandfathering). In the draft, monthly temporal correlation is limited to the phase-in period allowing producers to adapt to the new requirements. This would avoid that after this initial scale-up, hydrogen would be considered as renewable when produced at times when the share of renewable electricity in the grid is low and thus when the additional electricity demand for hydrogen production would trigger higher fossil power generation; this is even more important under the current circumstances given the role of natural gas in power generation. The draft further includes a sunset clause that would exempt producers in bidding zones with a high proportion of renewable electricity from most of the requirements. However, such an exemption is only justified when the proportion of renewable electricity is high enough so that

¹ Production of renewable transport fuels – share of renewable electricity (requirements) (europaleu);

on the one hand, the achievement of a sufficient amount of greenhouse gas emission savings would be ensured, notably with regards to the 70% threshold set out in the Renewable Energy Directive, and, on the other hand, it reflects a level above which the addition of more renewable electricity generation capacity becomes challenging.

Following the end of the consultation period on 17 June 2022, the Commission is working on the final draft of the delegated act that will be proposed to the European Parliament and the Council. They will have two months to accept or to object to the Commission's proposal, before it may enter into force.

I thank you for your constructive input and welcome your continued engagement on this matter.

Yours sincerely,

Kadri Simson