

Joint statement: Urgent need for European Commission to correct course on the draft Delegated Regulation on Low Carbon Fuels

23 June 2025

Representing the entire energy value chain, from producers to industrial users, clean tech solution providers, and infrastructure operators, the co-signatories call on the European Commission to acknowledge their **serious concerns with the current draft Delegated Act defining the GHG methodology for low carbon hydrogen and its derivatives, and to work with industry representatives on amendments. The new version of this essential secondary legislation would make it overly difficult – if not practically impossible – to produce low carbon hydrogen and fuels, be it in the EU or at global level and imported to the EU.**

In particular, the co-signatories underline the inability to fully showcase better GHG performance¹ - despite being a core tenet of establishing a GHG methodology – combined with high default values. This detrimental approach is further amplified by numerous elements of concerns e.g. treatment of hydrogen from methane splitting², the implementation of the provisions linked with the Methane Regulation³, the recognition of Carbon Capture and Storage in third countries, inclusion of low carbon fuels in the Union Database⁴. Taken together, these elements **will hinder the deployment of this essential energy vector, the overall uptake of hydrogen and its infrastructure for the EU.**

This will further contribute to the widely flagged extra-costs (ACER)⁵ and barriers (Industry⁶, Member States⁷) caused by the EU regulatory framework on the deployment of all sources of hydrogen.

This approach **puts in jeopardy the Commission's own vision for low carbon hydrogen**, outlined as early as in the European Hydrogen Strategy (2020), further reinforced by the European Steel and Metals Action Plan, in the Clean Industrial Deal (2025)⁸ and underlined in the draft Delegated Regulation itself (2025)⁹.

Europe's hydrogen market is already struggling to find a foothold, with only a small portion of projects reaching FID¹⁰. **The EU must learn from the RFNBO Delegated Acts, which created much uncertainty, instability and delay. The Commission must course correct if it wishes to create a favourable environment for investment, especially for first movers (e.g. grandfathering).** Indeed, a simpler and more pragmatic approach is needed to kickstart the development of hydrogen in the EU.

We urge the European Commission to amend the revised draft to ensure it enables the production and import of all types of low carbon hydrogen and fuels and recognises better environmental performances. This is critical for supporting the scale up of the hydrogen market in Europe, which already faces major challenges that undermine EU's ability to meet its climate objectives.

The co-signatories stand ready to provide further input and welcome any opportunity for continued, constructive dialogue in order to shape an effective and technology-neutral regulatory framework that provides the necessary certainty for investments. This will best enable the EU to be realistically in a position to accelerate the deployment of all low-carbon fuels technologies and transition to a decarbonised and competitive energy system.

¹ It should be possible to showcase better performance for all types of GHG emissions (CO₂, CH₄, N₂O), all input and all steps of the production process. Missing methodologies should not justify limiting this possibility: international and EU standards already exist and should be used for developing the needed methodologies.

² Annex A.12(b) links emissions accounting of hydrogen from methane splitting to the end-of-life of the co-product made with the solid carbon from the production process. This could result in a situation where no credit can be allocated to the capture of solid carbon in certain cases of use of solid carbon

³ For example, clarification and grandfathering for first-movers is needed for the interim period and alignment with the deadlines of the MER, critical in light of the +40% penalties in place in the draft Delegated Act

⁴ Particularly in light of ongoing discussions around methane emission import requirements.

⁵ See figure 20, [European hydrogen markets MRR](#), ACER, 2024

⁶ [Joint Statement Reality Check for European Hydrogen Policy to Adjust the Course](#), February 2025

⁷ [Twelve EU countries seek to overturn existing RFNBO green hydrogen rules](#), Hydrogeninsight, March 2025

⁸ "The Commission will therefore adopt in Q1 2025 the delegated act on low carbon hydrogen, to clarify the rules for producing low carbon hydrogen in a pragmatic way, providing certainty to investors".

⁹ See Recital 6 of the draft Delegated Act

¹⁰ See global statistics on page 16 of the [Global Hydrogen Review 2024](#), IEA and in Europe: only 21 % of the Hydrogen IPCEI projects [Hydrogen Europe](#), 2025

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