

Revision of EU Sustainability Certification Rules

Eurogas recommendations

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Introduction

Certification of renewable and low-carbon gaseous fuels is a cornerstone for building a truly integrated and functioning European market. *Under the [REPowerEU](#)*, the European Union has set ambitious objectives: reaching 35 bcm of biomethane production by 2030 and scaling up the production and import of 20 million tonnes of renewable hydrogen, alongside the development of a robust framework for low-carbon hydrogen.

Despite these ambitions, deployment of these energy vectors has progressed more slowly than expected. Regulatory uncertainty, coupled with delays in operationalising key instruments such as the Union Database, continues to hinder market development both within the EU and with our third-country partners. As the framework evolves, the revision of [Implementing Regulation \(EU\) 2022/996](#) presents a critical opportunity to address these barriers.

Eurogas considers that certification must be unlocked both rapidly and effectively. Ensuring that rules are clear, workable, and implemented without delay is essential to scale up investments, enable cross-border trade, and fully integrate renewable and low-carbon gases into the EU energy system. A fully operational and reliable certification system, supported by a well-functioning Union Database, will be instrumental in delivering on the EU's decarbonisation objectives while safeguarding flexibility and security of supply.

Recommendations concerning the upcoming Implementing Regulation (EU) 2022/996 recast

Recommendation 1: Ensure that new audit rules do not create unnecessary burdens

As a general rule and to guarantee a smooth implementation of the Implementing Regulation (EU) 2022/996, new rules on auditing processes (e.g. Chapters III and IV) shall be robust but not overly burdensome for the entities involved, economic operators and Member States alike. For instance, reducing auditing periods from one year to six months will increase the administrative burden without necessarily strengthening the robustness of the system. For this purpose, increased auditor's preparedness and expertise would be more beneficial.

Another example is the mandatory rotation of certification bodies after three consecutive years. Operationally, the availability of certification bodies would be insufficient to meet this requirement. Auditor rotation already ensures sufficient impartiality in the auditing process.

Finally, beyond the general concerns on the auditing administrative burden, the draft also requires economic operators involved in the waste and residues supply to be audited individually and on-site and lowers the on-site threshold to one tonne per month. In practice, these feedstocks are generated by a very large number of small, dispersed points of origin (e.g. restaurants and other establishments). Auditing each of them individually and on-site is not workable. It multiplies audits disproportionately, generates prohibitive certification costs and renders entire waste-based supply chains unviable – precisely the biomass fuels the RED seeks to promote. For such small points, it should be possible to demonstrate compliance through supplier self-declaration, subject to risk-based plausibility checks and sampling. Group auditing with the square-root sampling rule should be preserved, including for sewage sludge and brown grease. This preserves anti-fraud integrity while keeping the burden proportionate.

Recommendation 2: Recognise liquefaction by equivalence as a viable enabler for decarbonisation

Bio-LNG is a key option for decarbonising transport - particularly maritime – allowing gradual transition from fossil-based LNG with increasing blending rates. In the EU, maritime decarbonisation rules are notably set by the [FuelEU Maritime Regulation](#), relying on the [RED III](#), hence on the Implementing Regulation (EU) 2022/996.

To this end, **liquefaction by equivalence offers a practical way to access increasing volumes of bio-LNG and accelerate emissions reductions**. It builds on established practices in LNG shipping, industry, and trucking, while widening access to renewable gas supply and making efficient use of existing infrastructure. It considerably reduces the need to invest in stand-alone liquefaction facilities, thereby contributing to the affordability of alternative marine and transport fuels. Finally, it is consistent with the mass-balancing principles for gaseous energy carriers injected into the interconnected EU gas infrastructure established under [RED II](#).

The revised Implementing Regulation (EU) 2022/996 should explicitly recognise equivalence liquefaction and provide legal clarity to ensure consistent implementation of RED III across Member States and voluntary schemes. In particular, clear rules are needed on conversion factors, the calculation of greenhouse gas emissions from liquefaction and credible pathways to demonstrate improved emissions performance.

EU legislation should explicitly allow equivalence liquefaction as a decarbonisation pathway, in line with the existing EU principle of mass balance: bio-LNG by equivalence liquefaction is biomethane injected into the EU gas system at one point and taken off as bio-LNG at an EU LNG terminal. To reflect this conversion, **emissions from liquefaction should refer only to those generated within the EU mass balance system at European terminals** - consistent with [ISCC guidance](#) - and not gas liquefaction emissions in export countries nor include emissions attributed to the transport of LNG to Europe. In particular, **equivalence liquefaction at interconnected EU terminals could qualify either through a defined default value for process emissions or through a methodology based on the energy consumption of a typical EU liquefaction facility combined with the carbon intensity of the relevant national electricity mix**. This should be reflected in the revision of Annex VI of the RED, as illustrated in more detail in Eurogas' [position paper](#) on this topic.

Therefore, not including emissions attributable to natural gas (irrespective of its country of origin or whether it has been transported to Europe by pipeline or by LNG-carrier) is essential to avoid misattributing emissions to the biomethane value chain. The definition of 'liquefaction' should also consider the place of equivalence liquefaction as the LNG terminal which offers this service.

Recommendation 3: Enable hydrogen blending into the gas grid through an appropriate product group definition

The hydrogen market is not yet developing at the anticipated pace, with limited demand and insufficient infrastructure in place. Often, electrolyser projects have to choose between locations with favourable access to either electricity meeting EU renewable hydrogen production requirements, or a future hydrogen network/customers. **To support market scale-up, hydrogen blending into existing gas networks can play a role in stimulating both early supply and demand, encouraging investment in hydrogen production and injection projects, and in enabling the gradual build-up of dedicated hydrogen infrastructure as volumes**

in the market increase. It would also allow the market to decide where to use hydrogen first instead of this decision being taken by top-down economic planning.

European distribution system operators (DSOs) and transmission system operators (TSOs) have been conducting extensive studies and pilot projects demonstrating the technical feasibility of hydrogen blending (typically up to 10-20%) as well as the capability to measure hydrogen content at injection and delivery points. These projects confirm that blending hydrogen with natural gas is operationally viable and can be managed with existing or marginally adapted infrastructure.

Additionally, in many cases, separating blended hydrogen at the off-take point is neither technically efficient nor economically viable for off-takers. At a time when hydrogen blending is urgently needed, the current legislative approach risks becoming an obstacle for the ramp-up of the hydrogen market.

However, according to the recent leaked revision of Implementing Regulation (EU) 2022/996, the European Commission appears to confirm the approach set out in its [Guidance Document on the implementation of RFNBO targets in industry and transport](#). Under this approach, the debinding of RFNBO must take place at the point of fuel consumption in order for the fuel to remain eligible for injection into the interconnected gas infrastructure.

This interpretation limits the ability to count blended hydrogen in RFNBO targets, unless the end-user undertakes physical separation. We consider that this interpretation goes beyond what is currently stipulated in EU legislation and contradicts the RED III framework, especially regarding mass balancing rules.

Therefore, **the Implementing Regulation (EU) 2022/996 provisions related to product categorisation and blending should not hinder hydrogen blending in the EU gas grid.**

[Recommendation 4: Ensure more frequent updates of electricity carbon intensity & feedstock Annex IV](#)

The carbon intensity (CI) for electricity - used as a default value - should be updated on a more frequent basis (e.g. annually). Electricity systems in the EU are rapidly decarbonising due to the growing share of renewable energy sources, meaning that static values quickly become outdated and risk overstating emissions. More frequent updates would ensure that calculations better reflect real system conditions, provide more accurate signals to investors, and avoid penalising low-carbon pathways.

Similarly, the Feedstock Annex (Annex IV, linked to Annex IX of the Renewable Energy Directive) should be reviewed more regularly to keep pace with technological innovation, evolving supply chains, and the emergence of new sustainable feedstocks. A more dynamic approach would support innovation, ensure consistency with market developments, and maintain the credibility and effectiveness of the regulatory framework.

[Recommendation 5: Clarify and strengthen mass balancing rules](#)

Physical molecules and Proof of Sustainability (PoS) should be linked at injection point to guarantee that the volumes of PoS are aligned with the volumes actually injected in the grid. Proof of injection into the gas system, which is necessary and sufficient, is to be provided via TSO/DSO processes and via the UDB (once this functionality is available and active). Title transfer of gas together with PoS, however, should not be

required at later stages of the supply chain nor at exit point, since this would reduce the liquidity and flexibility of biomethane markets.

In order to promote the development of biomethane, **provided that the mass balance is guaranteed by verification at injection points and there is no risk of dual use of PoS**, it is also crucial to **allow the separation of PoS and physical gas trading within the single mass balancing facility**. This would also reduce the burden on economic operators that are not shippers, such as acquiring a network user license or booking transmission capacity. The requirement for proofs of transaction for gas volumes, as described in a leaked version of the Implementing Regulation (EU) 2022/996, also poses the question of what constitutes a proof of transaction of gas volumes and whether such commercially sensitive information can be shared.

When it comes to **transmission or distribution capacity booking**, this **should not be required to ensure mass balancing** when transferring biomethane. As for the duration of the **mass balance period**, this **should be maintained at three months**, in line with voluntary scheme practices. This would avoid unnecessary administrative burden and ensure that economic operators retain sufficient flexibility in their biomethane production to meet the RED GHG emissions savings threshold due to variability in feedstock mixes.

Eurogas notes that the proposed 5-day **timeline for final validation of the injection data** may not be compatible with DSO/TSO timelines at Member State level, as the provision of the final data can in some cases require more time. We support final validation to be provided as swiftly as possible to provide certainty on available volumes. However, we would recommend for the EC to take into consideration operational realities on the ground. One suggestion could be to establish a fixed 15-day deadline.

Finally, to ensure the robustness of the mass balance system, **only traders that are certified by a voluntary or national scheme should be allowed to operate in the UDB**. This would ensure the robustness of the system and a link between sustainability claims and volumes, backed by audits and chain-of-custody checks. Allowing actors without physical possession to issue or trade PoS would break this link, increase risks of double counting or misreporting, and reduce the robustness of PoS for regulators and market participants.

Recommendation 6: Ensure the recognition of third-country imports

Eurogas considers that continued cooperation and trade with third countries must be preserved in the context of both the implementation of the Union Database and the revision of this Implementing Regulation. Ensuring third-country partners can access the UDB is essential for transparency and traceability of imports into the EU.

Once the Union Database is effectively implemented and functioning within the EU, clear and practical modalities for third-country access to the Union Database should be defined. These should be as robust as for EU operators, with clear and defined rules and roles for different entities. Such access should be granted irrespective of their geographical location or physical connection to the EU interconnected gas infrastructure, thereby ensuring a level playing field and avoiding barriers to trade.

The key priority should be to ensure that certification and annual audits of production plants, as well as the chain of custody in third countries, are carried out under the supervision of EU-recognised Voluntary Schemes and verification bodies supervised by national accreditation bodies. This is essential to

guarantee that imported consignments meet equivalent sustainability and GHG emissions savings criteria. Pending the full interoperability between third-country sustainability certification registries or databases and the Union Database, certification bodies (auditors) should verify that any sustainability certificates issued at the point of production are introduced jointly with the consignment in the EU mass balance system if the consignment is ultimately used for compliance under the RED. While this check is already performed under ISCC EU, it should be systematically integrated into the audit procedures of all Voluntary Schemes and certification bodies. **In addition, to mitigate fraud risks in absence of full registry/database integration, the frequency of consignment checks could be increased, for example by moving from annual to monthly verification.** This would include checks on injection records, cross-verification of certificates across multiple registries, and full disclosure of all certificates, including GOs.

Where necessary, cooperation agreements with third countries could play a complementary role in ensuring that the imported volumes are not simultaneously counted towards the third country's national targets, while ensuring that they comply with RED rules. However, such agreements should remain proportionate and should not create unnecessary administrative burden for countries that have already transposed, or are in the process of transposing, the RED. In cases where national accounting systems for injections fall outside the scope of the Scheme's auditing capability, these agreements can serve as an additional safeguard against double counting. The requirements of such cooperation agreements or international treaties should be made transparent, and their conclusion with the main export and transit countries - e.g. UK, UA, U.S. – should be established by the European Commission in a timely manner.

The draft text also suggests a requirement of customs clearance for consignments of raw materials or fuels entering the EU mass balancing system. While goods entering the Union are already subject to customs rules, **we do not support associating the requirement of customs clearance with mass balancing requirements for sustainable fuels in the Union.** This would create additional complexities without adding robustness to sustainability and mass balance checks. For example, biomethane that would be imported to an EU LNG terminal from a third country but then bunkered into a ship, would not necessarily be considered as entering the Union Customs territory and therefore require customs clearance. This should not prevent its inclusion in the UDB and contribution towards EU targets.

In addition to this, the draft introduces a requirement to perform a C¹⁴ test in case of bio-LNG imported from third countries into the EU market and stored in storage facilities in the Union interconnected gas infrastructure. This requirement refers to the [Delegated Regulation 2023/1640](#). Looking at this Delegated Regulation, this test only applies to determine the share of bio-content of fuels produced from the co-processing of actual biomass and fossil feedstocks. It does not apply to fuels produced from mass-balanced feedstocks. Detecting biogenic carbon in mass-balanced biomethane derived from the interconnected grid is challenging and inefficient. Therefore, mass-balanced bio-CH₄ does not qualify as biogenic feedstock and is excluded from the scope of co-processing under this Regulation (preamble 1). The same exclusion applies also for bio-liquids derived from mass-balanced bio-CH₄.

Finally, trade with third countries should be accepted based on compliance with greenhouse gas and sustainability requirements, mass balancing rules and avoidance of double counting, on an equal footing to what is foreseen in the EU. Therefore, creating an additional requirement for C¹⁴ testing would be

disproportionate compared to EU requirements for gas that is physically liquefied. Such a requirement would also contradict EU chain of custody rules for bio-LNG that was mass balanced in a third country.

Recommendation 7: Harmonise conversion factors for high and low heating values between GOs and PoS

Currently, GOs are based on the lower heating value, whereas PoS rely on the higher heating value, despite both referring to the same consignment. Therefore, **we recommend** harmonising the corresponding conversion factors, for example through **the application of a standardised coefficient** such as the 1.1 factor used under ISCC EU.

Recommendation 8: Establish clear rules on retroactive cancellation of PoS

Retroactive cancellation of PoS can strengthen trust in the market and prevent fraud, but it must be framed by clear and predictable rules to avoid undermining investment certainty. The key concern is that a PoS purchased in good faith may later be invalidated *ex post*, due to issues outside the control of the buyer, such as errors or fraud elsewhere in the value chain. This creates a risk that economic operators acting correctly are exposed to financial losses despite full compliance at the time of purchase, which can discourage participation in the market and weaken long-term contracting. This is also a risk for compliance markets which are subject to obligations under other EU mandates, such as the maritime sector under FuelEU Maritime. The revised Implementing Regulation (EU) 2022/996 should ensure that such cancellations are applied in a transparent, proportionate, and harmonised manner across the EU.

- **Define clear triggers for cancellation:** Retroactive cancellation should only occur under well-defined circumstances (e.g. proven fraud), ensuring it is not applied arbitrarily.
- **Ensure accountability of responsible actors:** Operators providing false or misleading information should bear full responsibility, including penalties and, where appropriate, exclusion from the market.
- **Establish harmonised compensation rules:** A clear EU-wide framework should protect affected parties acting in good faith. A clear compensation model is needed, also towards certification bodies that certify perpetrators.
- **Enforcement for operators from third countries:** Clear compensation rules should also make compensation claims enforceable for operators from third countries.

Recommendation 9: Clarify the treatment of subsidised biomethane

The draft text indicates that the mass **balance system can include information on support provided to the production of the fuel or fuel producer. We support the possibility to flag that a consignment has received support**, including which type of support for example, at investment level or at production level. **This flagging should, however, not prevent the application of RED rules, namely the accounting in the country of consumption of the sustainable biomethane.**

Recommendation 10: Integrate low-carbon fuels in the Union Database framework

According to [Directive 2024/1788](#) and the [Delegated Regulation 2025/2359](#), low-carbon fuels, as defined in this Delegated Act, should be integrated into the Union Database. In particular, Article 9 of the Gas Directive

requires Member States to request the certification and inclusion of low-carbon fuels in both national registries and the UDB. However, the current Implementing Regulation contains no explicit references to low-carbon fuels and only limited references to recycled carbon fuels (RCFs).

In this regard, we understand that the current development of the UDB is primarily focused on biomass fuels and that the integration of low-carbon fuels may take place at a later stage. Nevertheless, we believe the Implementing Regulation should already provide greater clarity and guidance on the future integration of low-carbon fuels into the UDB, to ensure a legal basis for such developments. At present, this pathway does not appear to be adequately addressed under the legislative framework.

Recommendation 11: Clarify the definitions of “cancellation”, “annulment” of a transaction and “consumption” of a consignment

The revised Article 2 of Implementing Regulation (EU) 2022/996 should provide clear definitions and distinctions between the terms “cancellation”, “annulment” of a transaction and “consumption” of a consignment. Throughout the text, these terms appear to be used inconsistently and, in some instances, interchangeably, which may create uncertainty regarding their intended legal and operational effects. Introducing precise definitions for each term and ensuring their consistent use across the Regulation would improve clarity, facilitate uniform interpretation, and reduce the risk of misapplication of the provisions.