

PRESS RELEASE

Renewable Energy Directive (RED): EU sends clear investment signals for hydrogen and eFuels

Brussels/Berlin, 30 March 2023: The trilogue negotiations of the European Parliament, the Commission and the Council on the Renewable Energy Directive (RED) came to an end this morning. The legislators agreed on a target of 42.5% renewable energy in all sectors of the EU by 2030. In the transport sector, emissions must be reduced by 14.5%. A combined quota of 5.5% advanced biofuels as well as eFuels will be mandatory in the transport sector by 2030. In addition, a binding sub-quota of 1 % for renewable fuels of non-biogenic origin (RFNBOs) may be adopted. For the time being, the first necessary investments can thus be stimulated.

"The adopted targets are a strong signal and lead to necessary investments in climate protection technologies," Ralf Diemer, Managing Director of the eFuel Alliance, welcomes the decision. "The binding quota will scale up the ramp-up of green hydrogen as well as eFuels industrially. 1% RFNBOs means a demand for hydrogen and eFuels of around 36 TWh - equivalent to an installed electrolysis capacity of 15 GW. Even if the result could have been more ambitious, because up to 5 % eFuels would have been possible: This is a good start and creates planning and investment security!"

The Parliament had previously entered the negotiations with a more ambitious quota for eFuels. Thus, the Parliament proposed a quota of 5.7 percent for RFNBOs and 2.2 percent for advanced biofuels: "With a combined quota, we must set it appropriately higher. Nevertheless, this agreement is a success."

"Projected, the combined quota now creates an expansion potential of 200 TWh, which corresponds to about 20 billion litres of diesel equivalent. At the same time, if the target is met, more than 60 million tonnes of CO₂ will be saved annually. This corresponds to the emissions of about 40 million vehicles. Moreover, the binding 1 % for RFNBOs is more than double what has been discussed so far in the corresponding regulations for aviation and shipping. Hydrogen and eFuels will thus also be used in road transport by 2030. In comparison, Finland has already adopted a quota of 3% for eFuels in 2030."

In addition to the sector targets for transport, industry will also have to use hydrogen and eFuels. By 2030, 42% of hydrogen used in industry must come from renewable energy. "The targets for industry underline the need to scale the hydrogen sector quickly and meet the growing demand," Diemer says.

Today's trilogue decision is provisional and still has to be adopted by the Council and Parliament. Only after approval by all legislators, the revised Renewable Energy Directive can enter into force. The final confirmation is expected after the summer break.

>>>The eFuel Alliance e.V.<<<

The eFuel Alliance is an interest group committed to promoting political and social acceptance of eFuels and to securing their regulatory approval. We represent more than 170 companies, associations and consumer organizations along the eFuel production value chain. We stand for fair competition and equal competitive condition for all relevant emission reduction solutions. We are firmly committed to further climate change mitigation and seek recognition for the significant part eFuels can play in sustainability and climate protection. Our aim is to create the conditions for the industrial production and widespread use of CO₂-neutral fuels from renewable sources of energy.

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