

## PRESS RELEASE

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

+++ Update to [press release](#) of 30 March 2023 +++

**Brussels/Berlin, 12 May 2023:** The trilogue of the European Parliament, the Commission as well as the Council regarding the Renewable Energy Directive (RED) has come to an end. The legislators agreed on a target of 42.5 % renewable energies 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 and eFuels will be mandatory in the transport sector by 2030. There is a double multiplier on the 5.5 %, resulting in a real quota of 2.25 %. In addition, a binding sub-quota of one percent, likewise with a multiplier, was adopted for renewable fuels of non-biogenic origin (RFNBOs).

"The targets adopted are insufficient and unfortunately do not lead to the necessary investments in climate protection technologies as desired," Ralf Diemer, Managing Director of the eFuel Alliance, criticises the decision. The binding 1% by 2030 is backed by a multiplier that minimises the quota to 0.5%. "Without the multiplier, we would have reached a target that could have matched the ramp-up of green hydrogen as well as eFuels. The result should have been more ambitious. With this decision, the industrial ramp-up cannot be stimulated sufficiently. The industry remains in the starting blocks and dangles in the air in terms of planning.

Parliament had entered the negotiations with a more ambitious quota for eFuels. Thus, the Parliament proposed a quota of 5.7% for RFNBOs and 2.2% for advanced biofuels: "In the case of a combined quota, the quota has to be set correspondingly higher. Projected, the combined quota only achieves an expansion potential of around 100 TWh. The amount produced during a successful ramp-up falls drastically short of what the transport sector urgently needs for a sustainable transformation. The binding 0.5% for RFNBOs, while congruent with the decisions in the corresponding regulations for the aviation and shipping sectors, does not stimulate further investment beyond that. Hydrogen and eFuels may struggle to find use in road transport by 2030 with this decision. For comparison, in a strategy paper Finland has presented a quota of 3% for eFuels in 2030."

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

The 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. Final confirmation is expected after the summer break. Diemer said: "It is to be hoped that in the national implementation of the RED, more ambitious quotas will be adopted and a positive signal will be sent in favour of Climate Action.

### >>>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 CO<sub>2</sub>-neutral fuels from renewable sources of energy.

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