



**Response from the Danish government to the public consultation on the draft delegated act on renewable liquid and gaseous transport fuels of non-biological origin (RFNBO).**

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The Danish government welcomes the draft delegated regulation establishing a Union methodology for documenting that electricity consumption for production of RFNBOs is fully renewable.

The Danish government's key priorities for the delegated act on renewable hydrogen are listed below:

- **Denmark supports the effort to establish clear rules on additionality to guarantee integrity of renewable hydrogen.**

In order to deliver on the Fit for 55 package and REPowerEU plan member states need clear, transparent and reliable EU rules for renewable hydrogen as soon as possible. Denmark supports the European Commission's intention to develop detailed and well-founded rules that incentivize deployment of new renewable energy installations when producing RFNBO's and supports flexible electricity demand for the production of renewable hydrogen.

To guarantee full integrity of renewable hydrogen, Denmark highly supports the principle of additionality as well as requirements ensuring temporal and geographical correlation between production and consumption of renewable electricity when supplied to a hydrogen production facility through the public electricity grid. The delegated act is important for investors and for ensuring full integrity of renewable hydrogen. The rules should make sure that no fossil fuel is used for production of renewable hydrogen and RFNBOs.

- **Denmark supports the draft delegated act with regards to allowing installations being part of an aid scheme but not receiving net support should qualify as additional.**

The Danish government supports that renewable energy installations should qualify as "additional" when the produced electricity does not receive aid that constitute net support. It will be important for the further advancement of offshore wind projects that these projects can enter into an aid scheme and still have the option to supply electricity used for renewable hydrogen in a situation where they choose to reject or repay support. Further, it is crucial that electricity from installations located in an offshore bidding zone, such as an energy island, can be used for hydrogen production in an adjacent bidding zone without unnecessary barriers. The Danish government



also welcomes that the European Commission has included a provision stating that production of renewable hydrogen in a bidding zone with a share of renewable electricity exceeding 90 % in the previous calendar year should be eligible for renewable hydrogen production in a maximum number of hours set in relation to the renewable electricity proportion.

- **Denmark supports the draft delegated act with regards to cancelling the guarantees of origin issued to the producer of the renewable electricity when electricity taken from the grid is used to produce RFNBOs. Denmark proposes that this condition is stated explicitly. Denmark also proposes that settling imbalances and counter trade should be reflected in the delegated act.**

We propose that this condition should be explicitly stated in article 4. Another important aspect included in the delegated act is that electricity taken from the grid for the purpose of delivering downward redispatch should qualify as “additional”. We support this principle and find that it also should be possible to use electricity for producing renewable hydrogen in periods with countertrade. Therefore, we find that the delivery of any remedial action in the internal market for electricity due to imbalance settlements, including both downward redispatch and the need for countertrade should be reflected in the delegated act.

- **Denmark does not support the draft delegated act with regards to permanent exemptions for the additionality criteria (grandfathering) for installations operating before a specific date.**

We acknowledge the need for a transitional phase due to the time needed for investors and regulators to develop the measures for documenting compliance. This is especially the case when documenting temporal correlation. However, it is problematic that installations producing hydrogen will be permanently exempted from the additionality criteria (article 8) if they start operation before 1 January 2027. This will have the risk of undermining the integrity of renewable hydrogen and RFNBOs. Thus, there is a real risk of expanding the emissions of greenhouse gases and the use of fossil fuels in the EU to meet the obligations on RFNBO and renewable hydrogen used in transport and industry, which is part of the proposal for a revised renewable energy directive and the REPower EU. The Danish government strongly prefer a delegated act on RFNBO without permanent “grandfathering” for hydrogen plants starting operation before 2027.

- **Denmark proposes instead of ‘grandfathering’ that, after 2027 all fuel producers sourcing from the grid should be obliged to have in place a renewable PPA with one or more installations producing additional renewable electricity if the share of renewables does not exceed 90 percent in the bidding zone.**



Instead of the proposed exemptions for installations that are in operation before 2027, all hydrogen plants sourcing from the grid should be required to have renewable PPA's with new renewable energy installations, if the share of renewables does not exceed 90 % in the bidding zone. This is due to the fact, that there is no justification for permanent grandfathering since this damages the integrity of the additionality criteria and thus can increase emissions of greenhouse gasses in the EU. We believe that all fuel production of renewable hydrogen and RFNBO should have concluded renewable power purchase agreements with economic operators producing additional renewable electricity corresponding to the amount of consumed electricity after 2027 if they source electricity from the grid and the share of renewables does not exceed 90 % in the bidding zone.

- **Denmark does not support the draft delegated act with regards to the proposal that electricity used during a period with a price lower or equal to 20 Euro per MWh or lower than 0.36 times the price of an emission allowance is automatically regarded as renewable for any source.**

We find it very difficult to understand the justification for this provision and the consequences hereof. There is a real risk that electricity from 'must run'-capacity such as nuclear or inflexible power plants using coal will be included in the electricity supply for RFNBO. It is crucial that electricity from non-renewable sources are not labelled as RFNBO's as this could increase emissions and damage the integrity of RFNBO's.

- **Last but not least, Denmark highly urge the European Commission to find a well-balanced approach forward for renewable hydrogen and RFNBO and that the rules are as transparent, clear and easy to understand as possible – both for investors, regulators and the general public.**