

Methodology to determine the greenhouse gas (GHG) emission savings of low-carbon fuels

ERCST Submission to the [EU Commission Public consultation](#)

The European Roundtable on Climate Change and Sustainable Transition welcomes the opportunity to provide the present feedback. Our preference would have been for the methodology to follow the UK approach and rely on the CO₂ intensity of the production as we have CO₂ constraints already in place.

1. Lifecycle Assessment (LCA) Approach

We acknowledge the LCA methodology outlined in Annex A, Section 1. For hydrogen, inclusion of transport emissions helps create a level playing field between imported and domestic supply, making EU-produced hydrogen more competitive due to lower emissions from geographical proximity.

However, the LCA methodology requires immediate clarity, solid scientific bases and availability/feasibility of all the elements of the method to make it immediately applicable. If this is not possible from the outset, a solid transition phase should be implemented with correct default values, default processes, grandfathering clauses and level playing field mechanisms until other countries adopt the same standard.

2. Emission Factors and Default Values

The default emission factors provided should reflect the latest technological advancements to represent current emissions accurately.

- **Nuclear Energy:** The Delegated Act (DA) assigns an emission factor of 1.2 gCO₂eq/MJ to nuclear power (Annex C, Table 5), but recent studies suggest lower values due to advancements in uranium extraction and enrichment. EDF's Lifecycle Analysis and UNECE report indicates values around 0.33 and 0.21 gCO₂eq/MJ. We recommend updating these factors and allowing producers to use actual, verified emissions data.
- **Methane Emissions:** The DA's interim solution of applying a 40% increase where no methane intensity value is available (Annex A, Section 7) may not reflect actual

emissions and relies on the forthcoming Methane Regulation, creating uncertainty. We recommend providing interim default values based on best available data and establishing clear rules to enhance market stability and encourage investment.

3. Electricity Emissions Calculation

We appreciate the inclusion of 3 alternative methods for calculating emissions from electricity that cannot qualify as fully renewable (Annex A, Section 6). However, the DA doesn't address the use of financial instruments for low-carbon electricity. We recommend including provisions allowing the use of PPAs and CfDs. This will enhance price stability and help secure low-carbon electricity meeting CO₂ thresholds. We disagree with Article 3 of the DA as clarity should be provided immediately for all technologies. Therefore, PPAs for nuclear electricity should be allowed now to give investors the certainty they need to make their investments today.

4. Clarification on Inputs and Methodology

- The distinction between rigid and elastic inputs needs further clarification – e.g. detailed examples and criteria to categorize inputs.
- Temporal Resolution: Annex A, Section 1 allows for averaging GHG emissions over periods of up to 1 month, but for processes using electricity fully counted as renewable, the time interval must meet temporal correlation requirements. We recommend offering additional guidance on temporal correlation, potentially in line with Delegated Regulation (EU) 2023/1185, which specifies hourly matching criteria.

5. Conclusion

Improvements need to be made immediately to the current version of the methodology proposed, including the possibility of assessing specific projects, signing PPAs as is the case for RFNBOs (particularly with nuclear sources), clarifying the calculation of the various elements of the formula and proposing certification standards.

In the meantime, it is necessary to propose a clear and comprehensive solution for the transition period (grace period), notably by reviewing the default values and proposing a simplified method for calculating emissions. It is urgent that the DA is accompanied by a low-carbon hydrogen strategy to develop its use in the industrial sector.