



Brussels, **XXX**  
[...] (2024) **XXX** draft

**COMMISSION DELEGATED REGULATION (EU) .../...**

**of **XXX****

**supplementing Directive (EU) 2024/1788 of the European Parliament and of the Council  
by specifying a methodology for assessing greenhouse gas emissions savings from low-  
carbon fuels**

*This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.*

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE DELEGATED ACT**

Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen ('the Directive') requires the Commission to specify a methodology for assessing greenhouse gas emissions savings from low-carbon fuels. The accounting methodology for low-carbon fuels should take into account full life cycle emissions and indirect emissions resulting from the diversion of rigid inputs from producing low-carbon fuels as well as methane upstream emissions and actual carbon capture rates. To ensure the required consistency, the methodology applies similar approaches as the methodology set out in Commission Delegated Regulation (EU) 2023/1185 for assessing greenhouse gas emissions savings from renewable fuels of non-biological origin and from recycled carbon fuels.

### **2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT**

Being of a technical nature, this delegated act did not require an impact assessment or an open public consultation. These are usually only required for major initiatives.

The delegated act draws on the results of several consultation exercises undertaken by the Commission, including a meeting of the expert group on xxxx and a stakeholder workshop.

The draft act was published for public feedback on the Better Regulation Portal from xx xxxx xxxx to xx xxxx xxxx.

### **3. LEGAL ELEMENTS OF THE DELEGATED ACT**

The delegated act is adopted pursuant to Article 9(5) of the Directive. This empowers the Commission to adopt a delegated act specifying a methodology for assessing greenhouse gas emissions savings from low-carbon fuels.

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC<sup>1</sup>, and in particular Article 9(5) thereof,

Whereas:

- (1) The greenhouse gas emissions accounting methodology for low-carbon fuels should take into account the full life-cycle emissions and indirect emissions resulting from the diversion of rigid inputs for producing low-carbon fuels as well as methane upstream emissions and actual carbon capture rates. In order to ensure the consistency of the methodology set out in this Regulation with the methodology for assessing greenhouse gas emissions savings from renewable fuels of non-biological origin and from recycled carbon-fuels, similar approaches should be applied as in Commission Delegated Regulation (EU) 2023/1185<sup>2</sup> for assessing greenhouse gas emissions savings.
- (2) As explained in recital 18 of Directive (EU) 2024/1788, the rules set out in this Regulation are without prejudice to Articles 107 and 108 of the Treaty on the Functioning of the European Union. For State aid for low-carbon fuels to be compatible with the internal market may therefore require additional safeguards to ensure, inter alia, that State aid does not unduly distort competition, for example by merely displacing greenhouse gas emissions from one sector to another rather than enabling net greenhouse gas emission savings, or by not leading to more

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<sup>1</sup> Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (OJ L, 2024/1788, 15.7.2024, ELI: <http://data.europa.eu/eli/dir/2024/1788/oj>).

<sup>2</sup> Commission Delegated Regulation (EU) 2023/1185 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and by specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuels (OJ L 157, 20.6.2023, p. 20, ELI: <http://data.europa.eu/eli/reg/del/2023/1185/oj>).

environmentally-friendly operating decisions. Such safeguards may by way of example include time limitations to the use of electricity in certain production processes.

- (3) The methodology set out in Delegated Regulation (EU) 2023/1185 applies for determining the greenhouse gas emissions savings of renewable fuels of non-biological origin as well as for recycled carbon fuels, which are a sub-category of low-carbon fuels. It is therefore appropriate to exclude recycled carbon fuels from the scope of the methodology set out in this Regulation.
- (4) The certification framework for low-carbon fuels set out in Directive (EU) 2024/1788 is fully aligned with the certification framework set out in Directive (EU) 2018/2001 of the European Parliament and of the Council<sup>3</sup> for renewable fuels. Accordingly, raw materials used for the production of low-carbon fuels as well as the low-carbon fuels themselves should be traced via the Union database in the same way as raw materials used for the production of renewable fuels. Therefore, as regards the value for the upstream methane emissions, it is appropriate to distinguish between individual batches of fuels and raw material based on the methane performance profile of the supplier supplying the fuel used to produce the low-carbon fuel.
- (5) The global warming potential of hydrogen has not yet been determined with the level of precision required to be included in the methodology for calculating greenhouse gas emissions. Therefore, relevant values for the global warming potential of hydrogen should be added as soon as scientific evidence has sufficiently matured and is applied to measuring the impact of hydrogen leakage over the whole supply chain in the greenhouse gas emissions accounting methodologies for both low-carbon fuels and renewable fuels on non-biological origin.
- (6) The methodology should recognise capture and storage of emissions as a reduction of emissions where these are permanently stored in a geological storage site, including where emissions taking place in third countries are stored outside the Union, as long as the applicable national law ensures the detection and remediation of leaks in line with the legal provisions applicable in the EU, and leaks are taken into account so they are not credited as reductions. Geological storage sites that repeatedly leak should not be accepted for injection. Currently, surrendering of allowances is only avoided for the emissions under the EU ETS that are stored in a storage site permitted under Directive 2009/31/EC. There are opportunities to cooperate across borders on carbon capture and storage. A potential future recognition of the storage of EU ETS emissions in storage sites in third countries without a linked ETS would depend on there being equivalent conditions to ensure permanently secure and environmentally safe geological storage of captured CO<sub>2</sub>, provided that the storage is not used to increase hydrocarbon recovery and that this leads to an overall reduction in emissions.
- (7) The implementation of the European Green deal requires a swift shift of the use of fossil fuels for electricity generation towards higher shares of electricity from renewable sources, as well as nuclear power. The Commission should monitor this development closely and assess the impact for the introduction of alternative pathways to source low carbon electricity from nuclear power plants based on appropriate

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<sup>3</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82, ELI: <http://data.europa.eu/eli/dir/2018/2001/oj>).

criteria. The Commission should also assess the introduction of an option to consider the greenhouse gas emission intensity of electricity based on hourly averages. These assessments should take into account the impact of the use of such pathways on the energy system and emission savings and the need to maintain a level playing field with sourcing fully renewable electricity in Delegated Regulation (EU) 2023/1184,

HAS ADOPTED THIS REGULATION:

*Article 1*

This Regulation specifies the methodology for calculating the greenhouse gas emissions savings from low-carbon fuels other than recycled carbon fuels.

*Article 2*

The greenhouse gas emissions savings from low-carbon fuels, other than recycled carbon fuels, shall be determined in accordance with the methodology set out in the Annex.

*Article 3*

*Monitoring and review*

By 1 July 2028, the Commission shall assess the impact of the introduction of alternative pathways, notably to source low carbon electricity from nuclear power plants based on appropriate criteria and the introduction of an option to consider the greenhouse gas emission intensity of electricity based on hourly averages. This assessment shall take into account the impact of the use of such pathways on the energy system and emission savings and the need of maintaining a level playing field with sourcing fully renewable electricity.

*Article 4*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Commission*  
*The President*  
*Ursula VON DER LEYEN*