

A need for urgent action: imports of biomethane and biomethane-based fuels under the Union Database

The signatories call for immediate action of the European Commission to ensure the full recognition of imported biomethane and biomethane-based fuels in the Union Database. As conveyed in November 2023¹, the European Commission has expressed an intention to exclude the certification of biomethane and by extension biomethane-based fuels when these rely on transport through extra-EU grids². Immediate action is needed: the Union Database for liquid fuels was launched in January 2024 and will be launched for gaseous fuels by no later than November 2024. No limitation should exist for fuels which demonstrated full compliance of sustainability and GHG emissions saving requirements equivalent to those defined in Renewable Energy Directive.

This decision will hinder imports of biomethane and biomethane-based fuels, such as biomethanol³, from third countries. Reliance on the existing gas grid infrastructure as a mode of transport for the biomethane is preferred over other modes which may pose economic, environmental and technical downsides. The use of biomethane and biomethane-based fuels should be encouraged, and using existing transport infrastructure should not penalise end-users in the EU who rely on these fuels to achieve the EU climate targets.

The European Commission's proposed approach also sends a negative signal for hydrogen and its derivatives, which will rely on the Union Database and for which imports are considered of critical importance by the European Commission, as in the REPowerEU with a target of 10 million tonnes of renewable hydrogen imported.

Overall, the attractiveness of the EU market for these renewable fuels will be damaged. It will jeopardize investments made by partners in third countries and erode their long-term trust in regulatory stability. This move hampers the global trade of these products and repercussions for EU exports should be expected. It will ultimately hinder the achievement of the EU energy and climate goal: the already important role of these fuels is expected to grow, as outlined in the Fit-For-55 Package, and imports will be needed to achieve the recently announced EU 2040 climate target.

The EU industry and their third-country counterparts are concerned by the lack of official communication and hence clarity on the issue, including on its timeline, motives and planned impact on existing practices. While the European Commission recently informally acknowledged that there is an issue for extra-EU countries connected to the EU gas system, no concrete details have been provided. Furthermore, the issue for countries connected only via maritime transport would remain. As such, it is unclear if anything could be solved ahead of the Union Database's full launch.

The signatories recommend to the European Commission to:

- **Clarify the reasons for and the legal provisions upon which the European Commission relies for changing the currently applied certification requirements of Voluntary Schemes and exclude certified and mass-balanced volumes produced in third countries.**

¹ [Biomethane imports should be automatically included in the Union Database](#) (Nov. 2023)

² It should be noted that the EC intends to maintain the possibility to certify biomethane and biomethane-based fuels with direct connection between the production and processing/export units.

³ For UK, this interpretation will impact UK-Ireland trading. For Ukraine, this interpretation endangers the aim of the Memorandum of Understanding between the EU and Ukraine on "[a Strategic Partnership on Biomethane, Hydrogen and other Synthetic Gases](#)" (Feb. 2023)

- Clarify which requirements third countries and/or the voluntary international schemes setting standards must meet to fully participate in the Union Database and undertake work with these countries' administrations to deliver the necessary agreements to unlock imports/exports and ensure consistent accounting of relevant volumes in the EU and in the country of origin.
- Confirm that an interim solution will be implemented ensuring immediate recognition of products meeting the sustainable and GHG reduction requirements applicable to EU production while a long-term solution is being developed.

Co-signatories

