

EBA position on the draft delegated act on taxonomy

Compared to the initial TEG report, we see that improvements were made, but unfortunately this taxonomy does not sufficiently support all solutions needed to reach carbon neutrality. Biogas and biomethane are key solutions for decarbonization with multiple positive externalities and needed to integrate intermittent renewables in the energy system. Even a zero-emission society will need a source for methane and biocarbon. Qualifying sustainable biogas/biomethane as a ‘transitional’ activity, excluded from RD&I, and thus treating it differently from other renewables is certainly not justified.

The delegated act on taxonomy should include:

- No additional requirements regarding the sustainability of bioenergy going beyond the current sustainability criteria as introduced by the RED II (and adopted by the EU’s ordinary legislative procedure) – currently under implementation in the Member States.
 - ‘Manufacture of biogas/biomethane’ from agricultural or forestry feedstocks is considered a ‘transitional activity’ even if it complies with sustainability criteria of RED II (2018/2001). This is not acceptable as biogas/biomethane are long-term decarbonization solutions in particular for “hard-to-abate” sectors where electrification is too expensive or unfeasible.
 - For biogas production used in transport, a gas-tight cover on the digestate storage is applied whatever the feedstocks used. This additional constraint on biogas/biofuel production for transport is incoherent and not practical, as biomethane installations injecting in the network do not know about the end-use. When it comes to the digestate storage, the taxonomy should refer to the RED II.
 - The threshold of GHG emissions savings from biomethane in heat production should be fully aligned with RED II (70% savings instead of 80% for installations starting operation from 01/01/2021 until 31/12/2025)
 - The co-digestion of waste and agricultural feedstock should not be limited.
- A definition for ‘low-carbon gases’. The draft taxonomy qualifies conversion/retrofit of existing natural gas networks to 100% of hydrogen or other low carbon gases. At least all renewable gases (including biomethane) should be under the scope to support a truly sustainable transition of the gas sector. It should be explicitly mentioned that connecting biomethane plants to the gas network qualifies a sustainable activity.
- No technology-biased approach qualifying only ‘zero-emission’ (tailpipe) vehicles and vessels sustainable as of 2025. The European electricity supply is – and will most probably remain for the next 10 years – to a large extent fossil and emissions related to the battery production must be considered. 100% electrification will thus not result in decreased CO₂ emissions by 2030. On an LCA-basis, bio-CNG and bio-LNG can reduce emissions by more than 100% (JEC 2020) and biomethane plays a key role preventing the EU’s methane emissions in waste management and agriculture. In water transport, bio-LNG is clearly one of the few viable options that are available today. It can be used in existing LNG engines and transported, stored and bunkered in ports utilising existing LNG infrastructure. Bio-CNG and bio-LNG together with their infrastructure and vehicles/fleets/vessels should therefore clearly qualify for the ‘green’ category mitigating climate change. Public transport and fleets of public authorities running on biomethane should also be included, with reference to the CVD 2019/1161.

- No restrictions on the use of renewable gas in heating of buildings as this is not coherent with the criteria on biogas production and jeopardizes the needs of the energy system (flexibility) and of different building types and climate zones. Therefore criteria on the manufacture of heating systems should only refer to ‘the top energy labelling classes’ and the Ecodesign Directive. Installation, maintenance and repair of heat pumps should take in gas and hybrid versions as the latter can also use renewable energy sources.

Proposals for amendments

Draft DA on taxonomy	EBA proposal	Justification
<p>3.3. Manufacture of low carbon technologies for transport</p> <p>Substantial contribution to climate change mitigation</p> <p>(Exclusion of all other solutions than vehicles and vessels with zero tailpipe emissions. Hence vehicle and vessels using renewable energy such as biomethane are excluded.)</p>	<p>3.3. Manufacture of low carbon technologies for transport</p> <p>Substantial contribution to climate change mitigation</p> <p>(Vehicles below a certain limit of CO2 emissions over the entire life-cycle, including generation of energy as well as production and recycling of the vehicles, are eligible.)</p>	<p>Criteria based on tailpipe CO2 emissions, as proposed in the TEG report favouring only certain technologies cannot be in line with the EU’s principle of technology-neutrality. Life-cycle emissions should be calculated for all vehicles and fuels to ensure technology neutrality and a level playing field for all different sustainable solutions. There is not enough research evidence in place about sustainability of electric cars (production and recycling of batteries). Existing calculations in fact indicate almost double as high emissions for the production of electric cars (47 gCO2/km) than CNG cars (24 gCO2/km), source: Volkswagen. If LCA-based criteria may not be chosen for a methodological reason, we recommend then the criteria to be based on a well-to-wheel approach for fuels across transport modes (road, waterborne, rail) to ensure a level playing field between technologies and a right assessment of climate benefits of alternative fuels. This would weigh the carbon intensity of the energy used at national level.</p> <p>It would also rightly include dual-fuel (e.g. trains running</p>

		on diesel and CNG/bioCNG) and hybrid vehicles (e.g. lightduty vehicles or buses running on both electricity and CNG/bioCNG) across transport modes.
<p>3.4 Manufacture of energy efficiency equipment for buildings</p> <p>Substantial contribution to climate change mitigation</p> <p>The economic activity manufactures the following products and their key components:</p> <p>(...)</p> <p>g) space heating and domestic hot water systems rated in the top energy labelling class in accordance with Regulation (EU) 2017/1369;</p> <p>(...)</p>	<p>3.4 Manufacture of energy efficiency equipment for buildings</p> <p>The economic activity manufactures the following products and their key components:</p> <p>(...)</p> <p>g) space heating and domestic hot water systems rated in the top energy labelling classes in accordance with Regulation (EU) 2017/1369 and compliant with Ecodesign Directive;</p> <p>(...)</p>	<p>In line with the objectives of the taxonomy, and the section on renovation of buildings, technologies which can help deliver a 30% reduction in primary energy demand for buildings should be readily available. This limitation may hamper this.</p> <p>- It will jeopardize the market development of appliances that can meet the needs of different building types and climate zones as well as the flexibility need of the energy system.</p> <p>- Manufacture of gas appliances, such as highly efficient boilers, would not be considered as sustainable, despite these appliances can run on renewable gas.</p> <p>- Additionally, restriction on the use of renewable gas in heating of buildings is also not coherent with the criteria on biogas production and the environmental goal set in the Taxonomy Regulation 2020/852 of “a transition to a circular economy”.</p>
<p>4.13. Manufacture of biogas and biofuels for use in transport</p> <p>The activity is a transitional activity</p> <p>Substantial contribution to climate change mitigation</p> <p>... Food-and feed crops are not used in the activity for the</p>	<p>4.13. Manufacture of biogas and biofuels for use in transport</p> <p>The activity is a transitional activity</p> <p>Substantial contribution to climate change mitigation</p> <p>... Food-and feed crops Primary crops are not used in</p>	<p>The indication of “a transitional activity” must be deleted as anaerobic digestion is clearly identified as one of the key technologies on the way to achieve a circular economy and a substantial contributor to methane emission reduction, recognised in the European Commission’s Strategy on this matter, and is in line with provisions of</p>

<p>manufacture of biofuels for use in transport...</p> <p>Do no significant harm ('DNSH')</p> <p>For biogas production, a gas-tight cover on the digestate storage is applied.</p>	<p>the activity for the manufacture of biofuels for use in transport...</p> <p>Do no significant harm ('DNSH')</p> <p>For biogas production, a gas-tight cover on the digestate storage is applied.</p>	<p>Article 10(1) of the Taxonomy Regulation on "already green activities".</p> <p>Growing of secondary crops for biogas production is environmentally and economically reasonable. This allows farming methods to move towards more innovative and sustainable farming practices. It increases the agricultural productivity of existing farmland without negative environmental impacts and without direct or indirect land use change. It leads to various benefits such as decreasing soil erosion risks, an increase in onfarm biodiversity and a potential increase of the soil carbon content by leaving more agricultural residues on the land. It could also result in negative carbon emissions. The second crop, in a sequential cropping scenario, can achieve 30% of additional biomass compared to the monocrop. In southern European countries such as Italy the additional biomass production amounts to 60%, as has been demonstrated in Italy.</p> <p>For biogas production used in transport, a gas-tight cover on the digestate storage is applied whatever the feedstocks used. This additional constraint on biogas/biofuel production for transport is incoherent and not practical, as biomethane installations injecting in the network do not know about the end-use. When it comes to the digestate storage, the taxonomy should refer to the RED II.</p>
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<p>4.14. Transmission and distribution networks for renewable and low-carbon gases</p> <p>Repurposing of gas networks for the distribution of gaseous fuels through a system of mains. Repurposing of gas networks for long-distance transport of renewable and low-carbon gases by pipelines.</p> <p>Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.</p>	<p>4.14. Transmission and distribution networks for renewable and low-carbon gases</p> <p>Repurposing of gas networks for the distribution of gaseous fuels through a system of mains. Repurposing of gas networks for long-distance transport of renewable and low-carbon gases by pipelines.</p> <p>Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen, biomethane or other low-carbon gases.</p>	<p>There is no definition for ‘low-carbon gases’ in the taxonomy. At least all renewable gases (including biomethane) should be under the scope to support a truly sustainable transition of the gas sector. It should be explicitly mentioned that connecting biomethane plants to the gas network qualifies a sustainable activity.</p>
<p>4.8. Electricity generation from bioenergy</p> <p>4.20. Cogeneration of heat/cool and power from bioenergy</p> <p>4.24. Production of heat/cool from bioenergy</p> <p>The activity is a transitional activity</p> <p>2. The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG emission saving methodology and relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</p>	<p>4.8. Electricity generation from bioenergy</p> <p>4.20. Cogeneration of heat/cool and power from bioenergy</p> <p>4.24. Production of heat/cool from bioenergy</p> <p>The activity is a transitional activity</p> <p>2. The greenhouse gas emission savings from the use of biomass are at least 70% for installations starting operation from 01/01/2021 until 31/12/2025 and 80 % for installations starting operation from 1 January 2026 in relation to the GHG</p>	<p>The indication of “a transitional activity” must be deleted as anaerobic digestion is clearly identified as one of the key technologies on the way to achieve a circular economy and a substantial contributor to methane emission reduction, recognised in the European Commission’s Strategy on this matter, and is in line with provisions of Article 10(1) of the Taxonomy Regulation on “already green activities”.</p> <p>The threshold of GHG emissions savings should be fully aligned with RED II.</p>

	<p>emission saving methodology and relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</p>	
<p>5.7. Anaerobic digestion of bio-waste</p> <p>5. In the dedicated bio-waste treatment plants, bio-waste constitutes at least 90 % of the input feedstock, measured in weight, as an annual average, and the share of other input material is less than or equal to 10 % of the input feedstock. Such other input material may not include food or feed crops.</p>	<p>5.7. Anaerobic digestion of bio-waste</p> <p>5. In the dedicated bio-waste treatment plants, bio-waste constitutes at least 90 % of the input feedstock, measured in weight, as an annual average, and the share of other input material is less than or equal to 10 % of the input feedstock. Such other input material may not include food or feed crops.</p>	<p>There is no reason why the co-digestion of waste and agricultural feedstock should be limited.</p>
<p>6.3. Urban, suburban and road passenger transport</p> <p>The direct (tailpipe) CO₂ emissions of the vehicles are zero.</p>	<p>6.3. Urban, suburban and road passenger transport</p> <p>The direct (tailpipe) CO₂ emissions of the vehicles are zero. (Vehicles below a certain limit of CO₂ emissions over the entire life-cycle, including generation of energy as well as production and recycling of the vehicles, are eligible.)</p>	<p>See justification for the point 3.3</p>
<p>6.5. Transport by motorbikes, passenger cars and light commercial vehicles</p> <p>6.6. Freight transport services by road</p> <p>6.7. Inland passenger water transport</p> <p>6.8. Inland freight water transport</p> <p>6.10. Sea and coastal freight water transport</p> <p>6.11. Sea and coastal passenger water transport</p>	<p>6.5. Transport by motorbikes, passenger cars and light commercial vehicles</p> <p>6.6. Freight transport services by road</p> <p>6.7. Inland passenger water transport</p> <p>6.8. Inland freight water transport</p> <p>6.10. Sea and coastal freight water transport</p> <p>6.11. Sea and coastal passenger water transport</p>	<p>See justification for the point 3.3</p>

<p>(Zero direct CO2 emissions (tailpipe))</p>	<p>(Vehicles below a certain limit of CO2 emissions over the entire life-cycle, including generation of energy as well as production and recycling of the vehicles, are eligible.)</p>	
<p>6.15. Infrastructure enabling low-carbon road transport</p> <p>(a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS);</p>	<p>6.15. Infrastructure enabling low-carbon road transport</p> <p>(a) the infrastructure is dedicated to the operation of vehicles fueled by alternative fuels as defined in the Directive 2014/94/EU with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS);</p>	<p>On an LCA-basis, bio-CNG and bio-LNG can reduce emissions by more than 100% (JEC 2020) and biomethane plays a key role preventing the EU's methane emissions in waste management and agriculture. In water transport, bio-LNG is clearly one of the few viable options. Bio-CNG and bio-LNG together with their infrastructure and vehicles/fleets/vessels should therefore clearly qualify for the 'green' category mitigating climate change.</p>
<p>7.6 Installation, maintenance and repair of renewable energy technologies Substantial contribution to climate change mitigation</p> <p>The activity consists in one of the following individual measures, if installed on-site as technical building systems: (...) (c) installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment;</p>	<p>7.6 Installation, maintenance and repair of renewable energy technologies Substantial contribution to climate change mitigation</p> <p>The activity consists in one of the following individual measures, if installed on-site as technical building systems: (...) (c) installation, maintenance, repair and upgrade of electric, gas and hybrid heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment;</p>	<p>The term "heat pumps" is too narrow and excludes relevant gas heat pumps and hybrid heat pumps, which can use renewable energies, including biomethane.</p>