

A reviewed Taxonomy to ensure investment in a competitive, renewables-based Europe – Feedback on the PSF’s Recommendations for the Climate Delegated Act

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EREF welcomes the opportunity to provide input on the Platform’s draft report on the review of the Climate Delegated Act and the addition of activities to the EU Taxonomy, published on 8 January 2025. In these challenging geopolitical times, it is imperative that the Taxonomy functions as a robust tool to channel investment toward a renewables-based energy system, thereby securing a resilient, future-proof European economy. Our feedback is guided by the principle that only technologies demonstrably contributing to climate neutrality—and strictly adhering to Do No Significant Harm (DNSH) criteria—should qualify as sustainable. This is essential not only to meet the EU’s ambitious 2030 and 2050 climate targets but also to foster a strong, competitive, and environmentally sound energy sector.

In the sections that follow, EREF provides targeted feedback on key components of the draft report. We underscore yet again the need to focus the Taxonomy solely on renewable energy—ensuring that non-renewable technologies such as nuclear and fossil gas are excluded. We underscore the need for robust sustainability certification across the bioenergy sector. We specifically address e.g. the proposed and in our view problematic and incoherent tightening of GHG emission thresholds for biogas and bioenergy.

Overall, our comments aim to enhance regulatory consistency, support renewable industry growth, and secure a coherent pathway toward a fully renewable energy system in Europe.

Focusing on a Renewable-Only Taxonomy

To truly support the energy transition and build a strong, renewables-based Europe, the Taxonomy should exclusively endorse renewable energy sources. The Commission has with the Complimentary Climate Delegated Act, under pressure from nuclear and gas interests, permitted that non-renewable technologies can to be classified as sustainable, despite robust scientific evidence to the contrary. In particular, both new (4.27) and existing (4.28) nuclear energy facilities fail to meet the Do No Significant Harm criteria, as they do not adequately protect water and marine resources, uphold circular economy principles, prevent pollution, or safeguard biodiversity and ecosystems.

Similarly, the alternative pathway for fossil gas (4.29.1b) allows new gas-fired facilities to operate with life-cycle GHG emissions above the science-based 100 g CO₂e/kWh

threshold without any obligation for progressive reductions. This approach undermines the integrity of the sustainability framework, as the ambiguity regarding the fossil fuel phase-out is evident under the Taxonomy Regulation and its delegated acts, which permit fossil gas to be labelled as sustainable on the basis of its transitional capacity to replace more polluting fuels - even though these thresholds are too high and risk encouraging exaggerated capacity additions. Consequently, to ensure a coherent and truly sustainable energy framework, EREF reminds the Platform of its 2022 report and strongly suggests that the Taxonomy should be refocused solely on renewables, with both nuclear and fossil gas removed from its scope.

Reviewed thresholds in line with climate targets

EREF welcomes the Platform's proposed adjustment of GHG emission thresholds—from 100 g CO₂e/kWh to 45 g CO₂e/kWh for new energy installations by 2025 (and further to 25 g CO₂e/kWh by 2030)—as a necessary step towards achieving the EU's ambitious climate targets. We strongly support this front-loaded approach, which is designed to align with the EU's 55% emission reduction target for 2030 and climate neutrality by 2050. However, it is essential that these thresholds remain in line with the most recent findings from the IEA, EEA, and the European Scientific Advisory Board on Climate Change. Ensuring that these benchmarks reflect updated emissions trajectories and methodological improvements will not only provide a clear market signal but also help redirect financial flows towards low-carbon investments, ultimately securing a coherent pathway to a fully renewable energy system in Europe.

Ensuring stable market conditions for Europe's biogas sector

Regarding biogas, the proposed tightening of GHG emission saving requirements to 85% appears misaligned with the approach outlined in RED III, which anticipates a gradual adjustment towards an 80% threshold. Experience has shown that even the 80% target poses significant challenges for biogas facilities—operators using predominantly renewable feedstocks must rapidly transition to substrates offering higher GHG reductions, all while contending with a lack of standardised calculation methods. This transition is both economically and operationally demanding, as past experience under RED II has demonstrated that swift regulatory changes can impose undue burdens on the industry. EREF strongly recommends that any revisions to the Taxonomy thresholds be harmonised with the RED III trajectory, ensuring regulatory consistency and alleviating administrative pressures on operators.

Furthermore, overly ambitious targets risk disincentivising European biogas production, potentially undermining its crucial role in achieving EU climate objectives. The biogas and biomethane sector is essential not only for reducing reliance on fossil fuels but also for substantially contributing to the EU's decarbonisation efforts—studies

indicate that, if properly supported, the sector could provide production capacities equivalent to roughly two-thirds of current natural gas demand by 2050. Biogas projects deliver significant economic and environmental benefits, including cost savings, job creation, and improved waste management, while enhancing energy security through a robust European supply chain. An excessively stringent 85% threshold may deter investment and innovation, ultimately slowing the sector's growth and compromising the EU's long-term decarbonisation strategy by leaving the market to fossil gas. EREF therefore strongly recommends adopting a balanced approach that supports industry growth, maintains sustainability, and aligns with the EU's broader climate and energy goals.

Ensuring Robust Sustainability Certification

Robust verification and enforcement of sustainability assessments is of critical importance for the entire bioenergy sector. Insufficient oversight—particularly in verifying upstream emission reductions and monitoring the importation of Hydrotreated Vegetable Oil (HVO)—has previously led to fraudulent practices and even insolvencies among bioenergy operators in Member States such as Germany. These incidents not only undermine the credibility of the regulatory framework but also diminish the overall supply of compliant bioenergy, ultimately weakening climate protection efforts. In light of these lessons, EREF strongly recommends the implementation of enhanced monitoring mechanisms to ensure that sustainability standards are rigorously upheld. Such measures will help maintain market confidence, safeguard industry stability, and secure the vital role of bioenergy in the EU's decarbonisation strategy.

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