

Consultation  
Call for inputs: Energy Omnibus  
Case followed by Rafik Ammar

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*The eNG Coalition's answers to MEP Christian Ehler's call for input regarding energy cost drivers, simplification needs, and the reduction of regulatory and administrative burdens.*

***1) Cost drivers needing EU action***

- Cost of capital & policy risk for FOAK e-molecule plants (electrolyzers, methanation, CO2 capture) due to eligibility uncertainty and fragmented demand signals.
- Electricity sourcing constraints with strict temporal correlation/additionality rules and PPA complexity inflate levelized cost of fuel and exclude smaller developers. There is a strong need for a level playing field across sectors: annual matching should suffice for ETS zero-rating of e-NG, using GOs from the same or uncongested EU bidding zones.
- CO2 feedstock uncertainty because of unclear status of unavoidable CO2 and overly restrictive treatment of operating aid/investment aid excludes US projects where nearly all wind/solar benefits from ITCs/PTCs. This bars otherwise sustainable pathways. Clear, pragmatic rules are needed.
- Fragmented certification/registries is the result of non-aligned chain of custody and duplicative audits add material transaction costs.
- Grid & infrastructure costs/delays (connection queues, network charges, gas quality standards, and LNG access rules slow deployment.)
- Regulatory overlap of RED, FuelEU, ReFuelEU, ETS, and UDB each require separate proofs.
- Carbon & market risk, it creates lack of long-dated offtake/CfDs undermines bankability.

***2) Requirements to simplify, change, or abolish***

**On RFNBO electricity rules:**

- Keep monthly correlation through the 2030s with a glide path; retain virtual PPAs with guardrails; provide grandfathering for existing projects/imports;

- For a competitive market, annual matching with GOs (same/uncongested bidding zones) should be accepted; additionality requirements should be removed. Nuclear GOs could underpin a low carbon track alongside renewables;
- Rules on operating aid must be revised so that electricity from supported facilities (e.g., US ITCs/PTCs) can qualify.

**On CO2 eligibility & accounting:**

- Recognize unavoidable and biogenic CO2 as valid feedstocks, under IPCC/GHG Protocol aligned rules;
- Publish standard system boundaries, co-product rules, and default factors to avoid bespoke LCAs.

**Certification & chain of custody:**

- Harmonize mass balance/book & claim across RED/FuelEU/ReFuelEU;
- Generalize and fast-track UDB-based book & claim for EU and 3rd countries, integrating tokenization for traceability, with safeguards against double counting;
- Align EU defaults and certificates with IMO for maritime drop-in e-LNG/e-NG.

**Market creation & finance:**

- Enable Contracts for Difference (CfDs) (or equivalents) for e-molecules, not only H2;
- Create green gas sub-targets and use public procurement for renewable gases;
- Coordinate Innovation Fund / Hydrogen Bank / CEF to explicitly support e-NG pathways and infrastructure adaptation;
- Improve access to financial guarantees for SMEs and innovative players, building on EIB initiatives and the “28th regime” approach.

**Practical simplifications:**

- Single window for data submissions, reused across ETS, FuelEU, RED/UDB;
- Pre-approved default CI pathways for e-NG;
- Update customs, excise, and standards so e-NG is explicitly recognized as a renewable gas for trade/taxation;

***3) How to dramatically reduce regulatory & administrative burden***

- Digital “Clean Molecule Passport”: one dataset reused across UDB/ETS/FuelEU via APIs;
  - Mutual recognition of accredited schemes and “one audit, many uses”;
  - Proportional MRV for SMEs/low-volume batches;
  - Standard default values and template documentation (offtake + CfD + MRV checklist);
  - 3rd country UDB onboarding playbook to ease compliant imports;
  - Predictable sequencing for RFNBO rules (correlation/additionality/imports) to de-risk PPAs & financing;
  - Implementation focus: existing 2030/2034 targets must be delivered without delay.
- Looking beyond, the EU should establish clear 2040 and 2050 renewable gas pathways to give offtakers visibility and secure long-term demand.

As you know, e-NG/e-methane is a system-compatible, drop-in molecule that leverages existing gas/LNG assets to decarbonize maritime, industry, and flexible power. Cutting avoidable costs, harmonizing rules, and providing bankable demand will accelerate projects and secure European industrial leadership.

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#### About the **e-NG Coalition**:

The e-NG Coalition is an international collaborative alliance representing the entire value chain of the electric-Natural Gas (or e-methane) from producers to end users like shipowners composed of pioneering companies that believe electric Natural Gas (e-NG) has a role to play to accelerate the energy transition towards a net-zero carbon future. The Coalition seeks to promote e-NG, build a global market with aligned emissions accounting and certification standards, and bolster cooperation between all stakeholders along the e-NG value chain. By aligning industry innovation in different regions of the world with ambitious climate policies, the coalition aims to be a catalyst for meaningful progress in the energy landscape.

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