Brussels, 16 October 2026

Grow renewables by preserving the effective mass balance system

We, the undersigned, representing the EU renewable and low-carbon fuel value chain, welcome the European Commission's continued efforts to strengthen the EU sustainability certification framework for renewable and low-carbon fuels. A robust, trusted and practicable system is essential to achieving the Union's climate and energy goals and ensuring a well-functioning market.

As discussions on the future implementation of sustainability certification and the definition of the post-2030 framework continue, including the ongoing review of Implementing Regulation (EU) 2022/996[1], **the foundational principles of the Renewable Energy Directive (RED), notably the mass balance system, must be preserved and built upon**. Improvements to the framework must safeguard the pragmatism that has enabled renewable fuels to move efficiently through EU infrastructure while ensuring robust sustainability assurance and traceability.

Redefining the RED's mass balance system could represent a total upheaval of the EU fuels market's operations at a time when energy security and the competitiveness of the EU industrial base are key concerns, while providing no improvement in sustainability assurance downstream of a manufacturing facility. We therefore urge the Commission to preserve the core principles of the mass balance system. In particular:

- **Product groups should continue to be defined by fuels with similar rather than identical characteristics**. Such a shift would strip product groups of their practical and economic value, rendering the classification obsolete.

[1] Commission Implementing Regulation (EU) 2022/996 of 14 June 2022 on rules to verify sustainability and greenhouse gas emissions saving criteria and low indirect land-use change-risk criteria.

- **Existing provisions on the physical mixing of raw materials and fuels, as well as the allocation of sustainability attributes, should be maintained**. These provisions support operational flexibility and efficient logistics across the supply chain, avoiding unnecessary logistical and administrative burdens to the benefit of end-users**.**
- **Fuels in the same product group should remain eligible for mass balancing within the infrastructure and systems recognised under the RED framework,** including tanks, pipeline systems, the interconnected gas infrastructure and LNG terminals, and other connected or co-mingled infrastructure. Separate accounting for physically indistinguishable fuels, based on their point of storage or transport, adds unnecessary complexity and amounts to de facto segregation.
- **The current three-month mass balance period should be maintained** to preserve scope for supply chain optimisation while keeping a high level of sustainability assurance and physical flows aligned with sustainability attributes.
- **The Commission should use this review to drive broader consistency across the framework** – for example by requiring the swift and uniform introduction of the Union Database (UDB) across all Member States.

We support actions that efficiently and demonstrably improve EU fuel sustainability assurance while maintaining its world-leading market efficiency. Our concerns regarding the consequences of deviation from mass balance are as follows:

1. De facto physical segregation would severely disrupt renewable fuel supply chains

Currently, fuel supply chains rely on shared tanks, terminals, pipelines, barges, trucks and storage facilities. These infrastructures have been designed around optimising high-volume bulk movements and efficient asset utilisation to deliver economically efficient, sustainability-verified supply to end-users. The RED mass balance framework is designed to accommodate the diversity of renewable fuel production and distribution pathways, allowing different supply chain configurations while ensuring robust sustainability verification, traceability and safeguards against double counting. Any approach that requires similar fuels to be handled separately solely due to regulatory classifications would necessarily fragment these supply chains.

The practical consequences cannot be overstated. This would require operators to manage multiple parallel product streams, necessitating the creation of parallel infrastructure that does not currently exist: tanks, pipelines, road and rail tankers and more. These would carry an associated economic and environmental impact where such implementation is feasible and constrain energy supply where it is not. The fuel supply chain was never designed for such segregation and the increased volumes through more diversified products and feedstocks means the mass balance system is more applicable than it has ever been.

Crucially, additional downstream physical segregation would not improve the sustainability performance or traceability of the fuels in the EU market. Once sustainability characteristics have been

allocated through the RED's mass balance system at the production facility, downstream segregation does not enhance traceability or sustainability assurance. Traceability and fraud prevention can be achieved through robust accounting systems which should not be equated with mandatory physical segregation. Unnecessary physical segregation could increase operational GHG emissions, as well as storage, handling and logistics costs across the supply chain. Meanwhile, fraudulent actors upstream would continue to not be identified until after their product has entered the value chain.

2. Help, not hinder, domestic production

Even if the product supply market were to adapt and deliver the parallel supply chains for all the different product type-sustainability provenance combinations, EU fuel manufacturing from biofeedstocks would become severely limited. Coprocessing refineries and dedicated biorefineries blend feedstocks of differing sustainability characteristics to optimise manufacturing and allocate these characteristics to the output products on the well-proven mass balance basis. Prevention of such mixing and allocation would require significant increases in tank storage and batch-by-batch, de-optimised manufacturing – resulting in excessive additional costs, operational complexity, and increasing emissions that domestic manufacturers would not be able to accommodate.

Such changes to the mass balance rules would have knock-on effects on economic activity, energy security, and the scaling of complementary pathways such as renewable fuels of non-biological origin, and other e-fuels, including those which are produced in and planned at EU refineries. Given the increasing use of a diverse range of crop- and waste-based feedstocks in the European renewable fuels market, segregation requirements risk imposing significant additional operational complexity and costs on fuel manufacturers. These burdens economically challenge the delivery of the EU's decarbonisation and energy resilience objectives while not necessarily delivering any corresponding improvement in fuel sustainability performance.

3. The RED is still right

The foundational principle of mass balance under the RED was well-considered, and even more applicable today, as we seek to decarbonise the EU's energy system. Sustainability integrity issues that have emerged in the value chain must be addressed at their source; an effective solution will not be one that burdens compliant supply chains. A successfully operationalised UDB and swift measures on fraudulent actors are key to improving system sustainability.

As a sector, we remain committed to supporting the Commission in building a strong, credible and practicable sustainability certification framework. We stand ready to engage constructively with the Commission on these issues and provide further technical input as needed.

Sincerely,
The co-signatories