

EUROFUEL POSITION

Renewable Energy Directive: Facilitating a progressive and open integration of renewables in heating and cooling

The EU Green Deal foresees a potential early revision of the Renewable Energy Directive (REDII). Eurofuel sees this as an opportunity to reap the full benefits of all types of renewable liquid fuels across sectors.

Eurofuel is active to help decarbonise the heating sector. We are promoting the three steps approach to do so: first, decrease the consumption of energy through efficiency (thanks to more performing condensing boilers) second, through hybrid systems (allowing the best use of each technology); to then incorporate low-carbon liquid fuels progressively, with a 100% share of renewables by 2050. We are currently running multiple field tests to verify and to proof the compatibility of existing heating devices; the preliminary results confirm such compatibility.

Eurofuel therefore welcomes and supports the goal of REDII to increase the share of renewables in the heating and cooling sector and is committed to contributing to reaching the ambitious goals.

However, in order to do so and increase the uptake of truly sustainable energy sources, we call upon the Commission to give more weight to the greenhouse gas reduction potential of renewable fuels.

The use of e-fuels for residential heating

One of the main opportunities for decarbonizing the heating and cooling sector is by using synthetic e-fuels, made from renewable electricity. However, the current Directive puts a clear emphasis on the development of e-fuels for the transport sector (renewable liquid and gaseous transport fuels of non-biological origin), *de facto* impeding the development of these innovative liquid fuels for the heating sector. The objective of 14% of renewables is indeed for transport biofuels. It should be made clear that **renewable fuels are not exclusively reserved to transportation or “hard to abate sectors”** but can also help decarbonizing heating oil in boilers. The broader the potential market for renewable fuels, the quicker will be their deployment and market uptake. Setting a mandatory objective for bioliquids would help their scaling up. Based on studies¹ and pilot projects investigating the properties and merits of using

¹ <https://www.eurofuel.eu/prognos-efuels-study>
<https://www.eurofuel.eu/library/studies/item/166-renewable-and-low-carbon-energy-in-heating-study-shows-high-potential-of-liquid-fuels-2>

e-fuels for residential heating, these are likely to play an increasingly important role to supply liquid fuels for heating in a medium to longer term.

An advantageous solution is developing liquid PtX products, including heating fuel, from hydrogen. These innovative products offer the same level of flexibility in transport, use and storability as heating oil, and would therefore continue to represent the ideal heat supply for rural and remote areas, while meeting Europe's long-term objectives for the reduction of greenhouse gas emissions. It is therefore essential to **scale up renewable and low-carbon hydrogen** which will be needed in many applications, as also emphasized in the recent Hydrogen Strategy. It is important, while the role of hydrogen is acknowledged, not to restrict its use to selected sectors such as aviation or maritime transport, or energy-intensive industries. The scaling up will allow in the future a broad range of applications and to restrict its potential now could lead to lock-in effects.

The Renewable Energy Directive could play an important role in **stimulating further research and investment** in e-fuels and their applicability to the residential heating sector, by extending the definition to heating uses and ensuring that such fuels are properly accounted for in the provisions relating to renewables in heating and cooling.

Similarly, there are other products which are already available but would should be promoted for heating:

- HVO (Hydrotreated Vegetable Oil: produced from used cooking oil, residues from the food industry and from vegetable oils which are not intended for food) is a mature technology and the fuel is available at an industrial scale.
- BtL (biomass-to-liquid) can be generated from a variety of vegetable raw materials (algae, waste, wood or straw).

Eligibility criteria for biofuels and bioliquids

Concerning the **eligibility criteria for biofuels and bioliquids** which will be blended with (and progressively replace) fossil content, Eurofuel believes that the Directive should take a more future-proof approach and explicitly present an open-ended list of substances, which could be easily amended in light of technological progress. While some of the renewable or synthetic substances that could be used for heating have already been identified, new products may be developed in the future. A more **innovation-friendly approach** would facilitate and encourage research into this field.

Eurofuel would like to thank the European institutions for taking these comments into account when defining the content of a revised RED which will facilitate a consumer-friendly and future-proof transition to lower-carbon sources for heating and cooling. Our sector is committed to play an active role in this process and remains at disposal for any further information. Considering the extent of the challenge we are facing we cannot afford to exclude any solutions that have the potential to reduce greenhouse gas emissions.

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About Eurofuel

Eurofuel is the European Heating Oil Association, which represents the national organisations that promote the use of liquid fuels for domestic heating in 10 European countries, including over 10,000 companies. Heating oil is nowadays an important and very efficient source of energy to provide comfortable temperatures in homes of millions of Europeans. It is a perfect back-up to accompany the deployment of renewable energy sources. Increasingly, multi-energy hybrid heating systems are being developed. Thanks to unique storage capacities, heating oil ensures a constant and reliable energy supply whenever the combined renewable systems cannot deliver. In difficult economic times, highly efficient modern oil heating systems combined with renewable systems represent a cost-effective and realistic option for households to reduce their energy consumption at a lower cost and contribute to save our environment.

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