

## Recognizing biomethane and biomethane-based fuels produced through mass balancing in non-EU gas grids under the Union Database

We, the undersigned stakeholders within the shipping, biogas and biofuel industries, are writing to express our concern regarding the proposed implementation of the Union Database (UDB), which is likely to have significant negative implications for the decarbonization of intra-European and international shipping.

The signatories have noted the intention of the European Commission to exclude the automatic certification of biomethane and biomethane based biofuels, such as biomethanol, produced using a mass balance chain of custody from non-EU gas grids from the UDB.

If this materializes, it will create a trade barrier that threatens to impede the importation of biomethane and biomethanol into the European Union, limiting the availability of these fuels to the bunkering industry in Europe. Furthermore, it may also disqualify such fuels, bunkered outside the EU, and produced using a chain of custody approach, mass balanced across non-EU interconnected gas grids from being certified against the requirements of the Renewable Energy Directive II (REDII). Consequently, these fuels would not count in relation to compliance with FuelEU Maritime carbon intensity reduction targets or be recognised as zero rated for EU ETS.

This exclusionary measure, if implemented, is likely to reduce the availability and increase the cost of low and zero carbon bunker fuels for shipping. It should be noted that this decision is not limited to biomethane and biomethane based biofuels – it could also negatively impact hydrogen and its derivative fuels in the near future. More generally, it could also have negative impacts on competition and international trading dynamics.

Considering our shared mission to fulfill the ambition of the Green Deal and its legislative apparatus, we call for the recognition of biomethane and biomethane-based fuels produced using a mass balance chain of custody from non-EU gas grids under UDB. To this end, we are proposing a meeting between us, the representatives of the industry and the European Commission.

### Co-signatories:

**SEA-LNG**



*"Methanol Institute (MI) serves as the trade association for the global methanol industry with more than 90 members from all around the world, representing the world's leading producers, distributors, transporters, shipowners, and technology companies. MI now represents its members from five offices around the world in Brussels, Singapore, Washington DC, Beijing, and Delhi."*

*"Founded in 2016, with numerous high-profile members including shipping companies, ports, LNG suppliers, bunkering companies, infrastructure providers and OEMs (Original Equipment Manufacturers), classification societies, banks and brokers, SEA-LNG is a multi-sector industry coalition whose members work together to demonstrate the benefits of LNG as a marine fuel throughout the entire value chain."*