

Response to MITECO Consultation on the Draft Royal Decree on the Promotion of the Decarbonisation of the Transport Sector and the Use of Renewable Fuels

Energy Traders Europe welcome the opportunity to comment on the proposed Draft Royal Decree on the Promotion of the Decarbonisation of the Transport Sector and the Use of Renewable Fuels, and commend the ambition and direction of the initiative, which includes many positive elements. **We particularly value the choice to establish greenhouse gas (GHG) reduction targets as the basis for compliance**, as this approach is more efficient, rewards the most decarbonising solutions, and is fully aligned with the broader EU policy trend towards performance-based objectives. We also praise the authorities for giving **more visibility on the targets in the long term than the prior draft** dated July 2025. Finally, we welcome the provisions specifying that only **certified traders** will have access to a transport certificate account (Article 33.1.d) safeguarding transparency, accountability, and the integrity of the system. Further considerations are explained below.

Key messages

1. We praise the introduction of GHG reduction targets, which we see as the most technology-neutral approach to foster decarbonization.
2. We welcome the long-term visibility on targets until 2040.
3. Proofs of Sustainability (PoS) are the sole valid documents to certify compliance with RED sustainability and GHG reduction criteria.
4. RFNBO sub-targets go well beyond RED III ambition and seem unrealistic. These could also be discriminatory against both domestic producers and suppliers of natural gas in transport sector.
5. We welcome the introduction of limits to the "carry forward" of tickets generated in a given compliance year in subsequent years, which help maintain market integrity & price stability.

Detailed comments

On GHG reduction targets until 2040 (Art. 6)

We welcome the introduction of GHG reduction targets and underline the importance of long-term regulatory certainty and visibility to support investment. In this regard, **we commend the authorities for providing clarity on the targets through 2040**, thereby extending the time horizon compared with the previous draft of July 2025.

On the additional RFNBO sub-target (Art. 10-11)

The proposal establishes an additional mandatory sub-target for the sale or consumption of RFNBOs, calculated in terms of energy content, equivalent to 2.5% of the total energy supplied to transport sector by 2030 and 7.5% by 2040, **exceeding in ambition the requirements defined under Directive (EU) 2023/2413¹**. We note that:

1. Today, hydrogen projects face high risks of delays in production, supply, and certification due to technological challenges, infrastructure development, permitting, electricity access, and commercial viability. Ambition levels are also influenced by participants' interest and outcomes in aid calls, though these do not always guarantee project execution². Given the long implementation timelines (3-5 years), the realization of new projects within the designated period (2027–2030) seems challenging, potentially requiring resort to the flexibility option provided in Article 10.4 to allow alternative renewable fuels to be considered eligible.
2. Furthermore, we note that the RFNBO sub-target imposes the same requirement for all agents, although some of them could have very limited options to provide or use RFNBOs. For natural gas suppliers, RFNBOs are neither a viable decarbonization pathway nor part of their core business, so the requirement would merely force them to buy certificates at high cost without reducing their own emissions. Hydrogen blending into the gas grid is the only theoretical alternative, but it faces technical limits, is not mentioned in the legislation, and lacks clear rules for commercialization. **We therefore request that this additional RFNBO sub-target not be imposed on natural gas supplier that exclusively supply natural gas for transport use or at least it is set at a different level.**

¹ [Directive \(EU\) 2023/2413, or revised Renewable Energy Directive \(RED III\)](#)

² [Largest European hydrogen bank funding winner pulls out | Latest Market News](#)

On the flexibility on the compliance with GHG reduction targets in transport sector (Art. 14-15)

We believe that each transport mode should meet its own emission reduction obligations separately, using the renewable energy supplied within that segment, to reduce discrimination between large integrated companies that are active in several segments and other smaller players. **We therefore praise the authorities for limiting transferability of tickets across different modes of transport.**

Moreover, in order to maintain market integrity and stability, instrumental to upstream investment, it is important to avoid price slumps. Unlimited carry of tickets generated in a given compliance year risks putting excessive pressure on prices jeopardising investment signals and limiting the decarbonisation potential in the long-term. Hence, **we welcome, at least, the introduction of limits to the "carry forward" of tickets** generated in a given compliance year in subsequent years.

On the Renewable Electricity Credit Mechanism (Art. 24-26)

We note that the Draft Royal Decree allows to use GOs for electricity to generate electricity credits granted for electricity supplied through publicly accessible charging points, which then can be used to generate renewable fuel tickets. We fear that without adequate boundaries, this mechanism could erode the value of the tickets, weakening the investment signal for advanced renewable fuels, biomethane and other solutions suitable for hard-to-abate sectors but with higher marginal costs.

Therefore, we recommend that clear limits to this mechanism are set up front, directly in the Royal Decree, rather than being deferred to a subsequent Ministerial Order. These should include, for instance, clear eligibility criteria, quantitative limits (such as annual caps and limits per actor or channel), rules on data transparency and governance, and clear provisions on compatibility with the UDB/PoS, where applicable.

On the annual publication of emission values to produce renewable fuels of non-biological origin and low-carbon fuels (Article 31)

Regarding the publication of GHG emission values for the bidding zone, in accordance with the methodology of Delegated Regulation (EU) 2023/1185, Article 31 stipulates that the average annual GHG value will be published each year. However, the abovementioned EU Regulation provides several options for calculating the GHG emissions of electricity taken from

the grid, for which the publication of additional values is also necessary. Implementing Regulation (EU) 2022/996 refers to the possibility of using these values, subject to prior notification by the Member States to the European Commission, as set out in its Article 20. Therefore, **we request that the emission values of the bidding zones are communicated by the Spanish authorities annually under Article 20 of Regulation 2022/996**, and that both the hourly emissions of the electricity system and the marginal units by technology for each hourly period are published or made available to registered RFNBO producers.

On accreditation of sustainability and emission reduction criteria

With regard to the different mechanisms available to accredit sustainability and emission reduction criteria, we make the following observations:

1. The proposal seeks to modify the content of the Guarantee of Origin (GO), which would need to include the information contained in the Proof of Sustainability (PoS), as per Article 41.4(g). Consistently, Ministerial Order TED/728/2024 on the promotion of biofuels required the GO to include sustainability and emission reduction information only until the UDB became fully operational and integrated into the national platform. Acknowledging that according to the EU legal framework, the recognised document for demonstrating compliance with sustainability and emission reduction criteria is the PoS, as defined in the revised Renewable Energy Directive, **we welcome the confirmation that, even though the GO and PoS are linked** (since the information from one is incorporated into the other), **the PoS remains the only valid document to demonstrate compliance with sustainability and emission reduction criteria for volumes of renewable or low-carbon gas**. This implies that if for a given volume of renewable gas a GO was never issued, or has already been cancelled ex-domain, or it has just expired, the GOs shall not be demanded under the compliance disclosure obligations in the transport sector.
2. In line with the above, **we welcome the amendment in the current economic assessment**, Chapter II, paragraph 2, sub-paragraph 2 (p. 24-25), as compared to the prior economic assessment, **to clarify that it is always the PoS that certifies compliance with sustainability and emission reduction criteria under the revised Renewable Energy Directive and its implementing rules** – including when it comes to accounting on the Union Database. The GO, if issued, is transferred to the UDB only to avoid double counting of the same sustainable attribute.

3. In the **sole transitional provision**, until this Decree enters into force in 2027 and full interconnection between the UDB and SICBIOS (or its successor platform) is in place, economic operators are required to report their transactions on both platforms. We hope that full interconnection between the UDB and SICBIOS will be achieved as early as 2026, in order to minimise administrative burdens on operators and reduce the inherent risks of errors and/or omissions associated with duplicate reporting. Reporting obligations should be consolidated into a single platform as soon as possible.

Monitoring and Enforcement Framework (Art. 41)

Considering the extension to new sectors and obligated and eligible parties, the legislative proposal should reinforce control and traceability mechanisms beyond the quarterly reporting foreseen in Order TED 728/2024, by including specific measures that contribute to ensuring the integrity of the system and combating fraud across the various sectors.

We highlight that a **clearer framework of specific penalties should be defined and applied to obligated parties that fail to meet the established targets** – with a general penalty for non-compliance with the overall target, and potential additional penalties for specific sub-targets to be defined in the Royal Decree. We also note that a purely administrative fine based on a company's turnover may encourage fraudulent behaviour that incentivises the creation of shell companies and should therefore be avoided.

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