

# Vattenfall's views on the upcoming targeted revision of the renewable fuel of non-biological origin production criteria

## Policy Paper

MAY 2026

The European Commission's announcement of an early review of the Delegated Act setting the rules for renewable hydrogen and renewable fuels of non biological origin (RFNBOs) comes at a critical moment when the European hydrogen market is still in an early and fragile phase.

As one of Europe's largest producers of fossil-free electricity, Vattenfall is well positioned to support the EU hydrogen economy. We have already made concrete investment decisions and commercial commitments based on the existing RFNBO framework. These decisions were made in good faith, anticipating the requirements on additionality and sourcing that were adopted after extensive political negotiations. Re opening these rules in a broad or unpredictable way risks devaluing existing investments, delaying offtake decisions and undermining trust in EU policy-making and in Europe as a place to invest in renewable hydrogen.

For this reason, we caution against an open ended revision of the RFNBO rules. Regulatory instability at this stage would not accelerate market uptake; it would delay it even further.

Instead, **Vattenfall supports a strictly targeted review focused on removing legal uncertainty and unnecessary cost drivers:**

### 1. Improve legal clarity to reduce regulatory risk and support market-based investment

Vattenfall's experience from project development and commercial negotiations shows that unresolved legal uncertainties already constitute a tangible obstacle to contract closure and risk slowing the uptake of RFNBO projects. We therefore recommend to:

**a) Clarify the role of intermediaries in electricity sourcing arrangements:** Provided that all RFNBO criteria are met, it should be established that intermediaries may act not only as facilitators but also as contracting parties in power purchase agreements (PPAs), i.e. where the PPA is not concluded directly with the renewable energy generator, but instead with a legal entity acting as the intermediary. There must be a chain of PPAs by which the origin of power volumes sold together with a corresponding endorsement (stamp) on the guarantees of origin can be identified as stemming from the generating facility.

**b) Clarify the meaning of "has not received operating or investment support":** a project should be considered to receive support only where support is actually drawn or a financial benefit is obtained. Mere eligibility for, or formal award of, support under a national scheme – where no payments are actually made – should not be considered as receiving support. Furthermore, clarification is needed on the treatment of opt-outs of volumes from CfD schemes in line with EU legislation, for instance whether carved out volumes – either before the CfD period begins or after – should be considered as not receiving any support.

**c) Clarify the definition of "come into operation" for RFNBO production:** specifying at which point a production asset is considered to have started operation for the purposes of RFNBO compliance, including the treatment of testing and commissioning phases versus the start of commercial operation. Greater clarity is required to ensure consistent application of the rules.

## 2. Introduce targeted flexibilities to support cost-effective RFNBO uptake

To facilitate market uptake and reduce renewable hydrogen production costs during the ramp up phase, Vattenfall sees scope for targeted flexibility in two areas of the RFNBO framework:

- a) First, prolonging the current use of monthly temporal correlation beyond December 2029 to 2035 would significantly lower production costs in the near term, reflecting existing system constraints such as limited availability of electricity storage.
- b) Second, allowing greater flexibility in the timeframe between new renewable electricity generation and hydrogen production coming online, for example by extending the current commissioning window to 60 months, would better reflect real world permitting and construction timelines and avoid unnecessary cost increases.

Taken together, these measures would improve project feasibility and support earlier market uptake, without punishing early movers. In this context, rather than postponing the application of additional requirements, we see these flexibilities as the more effective way to lower costs and support market ramp-up. Going forward, a swift and targeted adoption is crucial, as only policy certainty will lead to quicker project finalisation and the conclusion of commercial contracts.

Vattenfall is a European energy company with approximately 21,000 employees. For more than 100 years we have electrified industries, supplied energy to people's homes and modernised our way of living through innovation and cooperation. We are committed to building a future where everyone can choose fossil-free ways to move, make and live. Everything we do and the decisions we take shall lead to this goal. This is the basis of Vattenfall's strategy, and we advocate for a regulatory environment that makes this transition possible – in the energy sector and beyond in transport, industry etc.