International Association of Oil & Gas Producers

POSITION STATEMENT | NOVEMBER 2025

IOGP Europe calls for simplification of the hydrogen regulatory framework through the Omnibus Package

We support the European Commission's simplification agenda, as outlined in President von der Leyen's Political Guidelines 2024–2029 and reaffirmed in the State of the Union on 10th September 2025, which underline that regulatory simplification is a central and urgent political priority for this Commission. We also note the European Court of Auditors' call for a revision of the EU Hydrogen Strategy and welcome the Commission's willingness to engage in this process.

The EU's current regulatory framework for hydrogen, while ambitious in its intent, has become too complex and fragmented to effectively support the scale-up of a competitive hydrogen economy. Its prescriptive, technology-preferential approach - focused narrowly on renewable hydrogen - fails to reflect the full diversity of cost-effective and regionally suitable low-carbon hydrogen production pathways. As a result, it risks increasing the cost of decarbonization, slowing industrial transformation, and undermining Europe's energy and climate ambitions.

At a time when Europe's global competitiveness is under pressure, companies urgently need a clear and credible signal that reducing regulatory burden is a top priority. The shift in focus across EU institutions toward competitiveness, simplification, and better regulation is a welcome development.

In this context, **we call for the simplification of hydrogen-relevant legislation - particularly the Renewable Energy Directive (RED III), ReFuelEU Aviation Regulation, and the Gas Directive – through the Omnibus package.** Targeted modifications to these regulations would enable much-needed simplification, flexibility, and technological neutrality, including:

- **Renewable Energy Directive (RED III)(2023/2413):** Provide flexibility for reaching the renewable hydrogen industrial target by making it more technology-neutral, enabling different regions to take advantage of the most suitable hydrogen production pathways available, thus ensuring cost-effective and competitive hydrogen options for industry to contribute to EU climate goals effectively. Align the rules for recognizing CCS in third countries with the Low-carbon Fuels Delegated Act.
- **ReFuelEU Aviation (Regulation 2023/2405):** Make synthetic low-carbon aviation fuels technology-neutral by ensuring that all fuels meeting the Low-Carbon Fuels (LCF) definition are eligible, irrespective of their energy source or production pathway.
- **Gas Directive (Regulation 2024/1788):** Introduce a grandfathering clause to protect Low Carbon Fuels projects past Final Investment Decision (FID) from disruptive future regulatory changes, thereby securing investor confidence and supporting sustained decarbonization.

These changes represent critical steps toward reducing regulatory burdens, unlocking investment, and accelerating the scale-up of clean hydrogen and sustainable fuels across Europe. In the remainder of this paper, you will find our more specific recommendations on how to achieve this.

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Omnibus - Hydrogen regulatory framework

Directive (EU) 2023/2413 (Renewable Energy Directive – RED III)

	Recommendation	Justification
1	Amend Art. 22a by deducting volumes of hydrogen, that are compliant with the Low-Carbon Fuels (LCF) Delegated Act, from the denominator used to calculate the RED industrial target.	In its current form, this mandate risks creating a significant competitive disadvantage for EU industry by requiring the exclusive use of renewable fuels of non-biological origin (RFNBO) hydrogen, which is currently two to three times more costly than other low-carbon hydrogen alternatives. This regulatory distortion is particularly concerning given that the same requirement does not apply to goods imported into the EU, thereby placing EU-produced goods at a relative disadvantage. EU industry should have access to the most cost-effective clean hydrogen available, provided it meets the 70% greenhouse gas emissions reduction threshold under the Gas Package. This can be achieved by having a truly technology-neutral level playing field that enhances industrial competitiveness. Member States are struggling to implement the RED III hydrogen targets, with only a few (such as FI, CZ, RO, and DK) having adopted or partially transposed the directive by the May 2025 deadline, while most remain behind schedule and face infringement procedures from the Commission. Therefore, granting flexibility towards the target to include low-carbon hydrogen would help ensure a smoother transition without undermining decarbonization goals. Moreover, even if every announced EU electrolyser project is built on schedule, RFNBO production would cover well under half of incremental industrial hydrogen demand by 2030. Lead times for permitting, renewables build-out and grid connections make a 100% RFNBO pathway unrealistic in the short term. Forcing firms to wait for scarce, high-price RFNBO risks higher cumulative emissions than allowing a switch to low-carbon hydrogen that meets the requirements of the Low Carbon Fuel Delegated Act under the Gas Package. Recognizing certified low-carbon hydrogen as a bridging fuel would accelerate early emission reductions with the most cost-efficient compliant molecule, preserving international competitiveness, while the RFNBO industry scales.
2	Update the definition of emission correction coefficients (eccs) in RED III based on the one in the Low-Carbon Fuels Delegated Regulation.	Harmonizing the definition of emission correction coefficients (eccs) in RED III Annex V, Section C, Point 14 with Annex A, Point 17 of the Low-Carbon Fuels Delegated Regulation is essential to introduce the necessary flexibility in greenhouse gas (GHG) accounting for CCS-based hydrogen production. This alignment would enable a more flexible and accurate recognition of verified emission reductions under third-country national laws that demonstrate alignment with the purpose of the Directive 2009/31/EC, thereby facilitating the integration of global low-carbon hydrogen supply chains. Such harmonization is further supported by Article 9 of the Gas Directive (Directive (EU) 2024/1788), which mandates consistency between the methodologies for assessing GHG emissions savings of renewable fuels of non-biological origin (RFNBOs) under RED III and low-carbon fuels under the Delegated Regulation, ensuring a coherent framework across these instruments. This is critical for complementing domestically produced clean hydrogen, strengthening EU energy security, improving industrial competitiveness, and achieving the EU's climate targets in a more cost-effective manner for European industry.

Regulation (EU) 2023/2405 (ReFuelEu Aviation)		
	Recommendation	Justification
3	Make the definition of 'synthetic low-carbon aviation fuels' technology-neutral.	All fuels that meet the EU definition of low-carbon fuels should be eligible, including those derived from low-carbon hydrogen produced with Carbon Capture and Storage (CCS). Targeted modification to ReFuelEU Aviation's Article 3(13) to delete the phrase "non-fossil" would allow any synthetic aviation fuel - whether derived from renewables, nuclear electricity, or CCS-enabled hydrogen- to count as "synthetic low-carbon aviation fuel" so long as it achieves at least a 70 % life cycle GHG reduction under the Low-Carbon Fuels Delegated Act. This technology-neutral definition would unlock an additional sustainable aviation fuel by 2030, easing the supply bottleneck created by an RFNBO-only requirement and lowering average compliance costs. It would also align REFuelEU Aviation with the technology-neutral definition of FuelEU maritime. ReFuelEU's objective is to decarbonise aviation while building an enduring market for zero-emission energy carriers. Counting all low-carbon synthetic fuels: secures early volumes, stabilises costs, harmonises EU policy, and still keeps a straight-line trajectory toward 100 % fossil-free flight. This change would be as a step toward greater alignment with broader EU climate policies. It acts as a pragmatic, transitional measure that supports the early scale-up of sustainable aviation fuels, enabling accelerated progress toward fully renewable solutions while maintaining environmental integrity and ensuring a cost-effective, secure fuel supply during the transition.

Regulation (EU) 2024/1788 (Gas Directive)		
	Recommendation	Justification
4	Insert a grandfathering clause to protect Low Carbon Fuels projects that are past Final Investment Decision (FID) from changes in future regulation (i.e. CI threshold, methodology changes in LCF DA)	Including a grandfathering clause as it is essential to protect Low Carbon Fuels projects that have passed Final Investment Decision (FID) from future regulatory changes, such as shifts in carbon intensity thresholds or methodology updates. This safeguard ensures investor confidence, regulatory stability, and continued progress in decarbonizing the gas sector by preventing sudden disruptions that could jeopardize ongoing projects and discourage further low-carbon investments.