Joint Statement on the Role of Renewable Fuels in the Energy Transition of Heating

As the European Commission prepares its forthcoming Heating and Cooling Strategy, **we, the undersigned organisations representing renewable fuel producers, suppliers and users**, wish to underline a **fundamental principle**: achieving a climate-neutral, secure and affordable heating system requires all sustainable energy solutions.

To meet the diverse heating needs of households, businesses, farms and industries, the EU should avoid over-reliance on a single energy vector. Renewable molecules – including renewable fuels as defined in the Renewable Energy Directive[1] – must therefore be recognised as an essential and complementary part of Europe's energy future.

The forthcoming **Heating and Cooling Strategy** offers a critical opportunity to establish a policy framework that reflects the realities of Europe's energy system and supports a balanced energy transition. As policymakers consider pathways to decarbonise heat, it is essential that renewable molecules are fully integrated alongside electrification. Failing to do so would limit consumer choice, increase transition costs and overlook solutions that can deliver immediate emissions reductions using existing technologies, infrastructure and supply chains.

Heating and cooling account for around **50% of the EU's final energy consumption**, making them the largest energy end-use sector in Europe.. Seasonal peak demand for heating tends to occur during periods of lower-than-average renewable electricity production.

The **challenge of decarbonisation** is increasingly intertwined with growing concerns around energy security, resilience and affordability. Electrification and energy efficiency will not address all heating needs across Europe. Many households, farms, SMEs and industrial sites face practical constraints linked to building characteristics, process heat requirements, grid capacity or investment costs.

Renewable molecules, including renewable fuels for heating, can make a practical and substantial contribution to the decarbonisation of heat:

- They are suitable for a wide variety of usages, including space heating, cooking, agricultural uses, commercial applications and industrial process heat, as well as simultaneous provision of heat and electricity through cogeneration systems;
- They build on existing supply chains, proven technologies and widely-used appliances;

[1] "Renewable fuels" are defined in Article 2, point (22a), of Directive (EU) 2018/2001 as "biofuels, bioliquids, biomass fuels and renewable fuels of non-biological origin".

- They enable emissions reductions without waiting for full equipment replacement, deep renovation or network expansion;
- They contribute to energy system flexibility and resilience by providing renewable energy that can be stored, transported and deployed when and where needed;
- They offer consumers and businesses additional pathways to decarbonise while maintaining affordability and security of supply.

Renewable fuels for heating are therefore not only a decarbonisation solution but also part of a broader family of renewable molecules that will play an important role in future energy systems.

However, the **regulatory framework** in heating and cooling is not fit for their roll-out – it remains **incomplete, fragmented,** and **sometimes adverse** (i.e. technology ban). This undermines investment certainty, slows production scale-up and reduces opportunities for consumers to decarbonise existing heating systems.

Clear and long-term policy signals are needed to unlock investment across renewable fuel value chains and accelerate deployment at scale.

We call on the European institutions to fully leverage the contribution of renewable molecules, including renewable heating fuels, in the upcoming Heating and Cooling Strategy and the **post-2030 climate and energy framework**.

1. **Recognise renewable molecules, including renewable fuels for heating, alongside electrification as essential components of a resilient, affordable and climate-neutral heating system.**
2. **Establish effective and technology-neutral policy mechanisms that create long-term demand for renewable fuels for heating and provide investment certainty for producers, suppliers and consumers.**
3. **Support as broad a range of sustainable feedstock as possible by leveraging existing sustainability certification frameworks to ensure robust safeguards while enhancing their practical workability.**
4. **Ensure that future heating and cooling policies value emissions reductions achieved through all sustainable renewable energy carriers and technologies, allowing consumers and businesses to choose the most appropriate decarbonisation pathway for their circumstances.**
5. **Ensure a cost-effective transition that avoids disproportionate burden on vulnerable and rural consumers, supported by a gradual ramp-up in line with the availability of sustainable renewable fuel supply.**

Achieving a successful heating transition will require pragmatism, flexibility and inclusiveness. Europe should pursue a technology-neutral and outcome-based approach

that recognises the complementary roles of electrification, energy efficiency and renewable molecules.

This will provide consumers and businesses with credible decarbonisation options while strengthening energy security, affordability, system resilience and industrial competitiveness.

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