

Call for action: Urgent need to recognise third country exports of gaseous fuels under the Union Database

24 March 2025

The co-signatories of this joint statement call for immediate action by the European Commission to ensure the full recognition of imported sustainable biomethane, biomethane-based fuels and other renewable gases and fuels produced in compliance with the Renewable Energy Directive III rules in the Union database (UDB).

Background

We welcome and support the UDB as a key instrument for enhancing the traceability of gaseous and liquid fuels within the EU, preventing double counting and mitigating the risk of fraud. With the deadline for transposing Renewable Energy Directive III ([Directive \(EU\) 2023/2413](#), RED III) rapidly approaching on 21 May 2025, the European Commission has indicated that Economic Operators (EOs) will soon be required to use the UDB as a mandatory system, potential even earlier than 21 May. At the same time, uncertainty remains due to the upcoming revision of [Implementing Act 2022/996](#), which will introduce further changes in the UDB framework affecting implementation and compliance.

However, challenges remain regarding the recognition and integration of exports/imports from third countries. Currently, supply chains operating on the principles of mass balancing are certified as compliant by EU recognised voluntary schemes, allowing imports/exports to the EU. However, the European Commission, with the implementation of the UDB, intends to restrict grid mass balancing only to EU-integrated grids. Under this interpretation, consignments relying on grid balance and transferred to the EU cannot be used in compliance markets, be it from integrated grids in third countries with direct connection to the EU grid, such as the U.K. or Ukraine, or from countries without direct connection like the U.S.A., Japan, Canada or Australia. **This limitation has been repeatedly raised with the European Commission by both industry representatives¹ and third country governments².**

The European Commission has recently signalled its intention to allow biomethane imports from Ukraine under the UDB³, which should be effective as of the moment the Database becomes fully operational for gaseous fuels. **Should such an intention materialise in the short term, it would represent a positive first step in fostering trade with international partners. However, this possibility seems not to be applicable to other countries in the short term,**

¹ Two letters were published on this specific issue, on [22 November 2023](#) and [4 March 2024](#) respectively.

² For instance, the Australian authority highlighted this concern in a letter to DG ENER in August 2024, followed by the US, in October 2024. In January 2025, the Canadian authority also addressed DG MOVE, AGRI and TRADE on the same issue.

³ [Third Prime Movers Group on Guarantees of Origin \(PMG GO\) workshop on the Union Database \(30 January 2025\)](#).

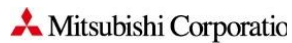
meaning that a significant share of biomethane and biomethane-based fuels, as well as other renewable gases and fuels, will remain excluded from the EU compliance market.

This course of action has negative implications not only for Economic Operators, but also for emerging renewable and low carbon energy markets and their underlying investments. End-users that depend on sustainable gaseous fuels to achieve EU climate targets, i.e, the maritime sector, face challenges in complying with EU legislation such as the FuelEU Maritime targets due to existing restrictions on using imported biomethane, biomethane-derived fuels and renewable gases and fuels.

It should also be noted that this approach could also have negative consequences on hydrogen and its derivatives. As both Renewable Fuels of Non-Biological Origin (RFNBOs) under the RED and low-carbon fuels under the Gas Directive will be integrated in the UDB, they may also face similar restrictions moving forward.

Key recommendations

1. In light of the planned implementation of the UDB for gaseous fuels, the interpretation of the EC on the inapplicability of the concept of interconnected gas system/single mass balancing unit for third country will result in a significant barrier to imports, negatively affecting trade relations and creating disruptions. **In light of the ambitious date of implementation of the UDB, a viable solution for third-country exports should already be in place.** In this regard, the European Commission should make a clearer commitment to this objective.
2. **Clear guidance should be established on the process to be followed for all imports from third countries to be recognised under the Union Database,** ensuring transparency and accessibility. **Strengthened cooperation between the European Commission and third-country administrations** is essential to facilitate the necessary agreements that enable imports/exports while ensuring compliance with EU legal requirements and accurate volume accounting.
3. **In the short term, an interim solution should be introduced to immediately recognise products that can demonstrate to meet EU sustainability and GHG reduction criteria,** while a long-term approach is developed. For example, in cases where electronic validation systems are not yet operational (i.e. in the case of missing/inapplicability of (equivalent) DSO/TSO injection verification in a third country, or alternative platforms such as GO registries), equivalent **verification through Voluntary Schemes reviewing and verifying consignments before acceptance in the UDB should be considered.**



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