



EIGA

**EUROPEAN INDUSTRIAL
GASES ASSOCIATION**

REGULATORY AND ENVIRONMENTAL COUNCIL – REC

Presented by:
Tim Evison, Messer SE & Co. KGaA



Organisation

- Activity
- Outlook

With the support of WG-22, the PA group, other Councils, the EIGA Board, National Associations and other industry associations as appropriate..

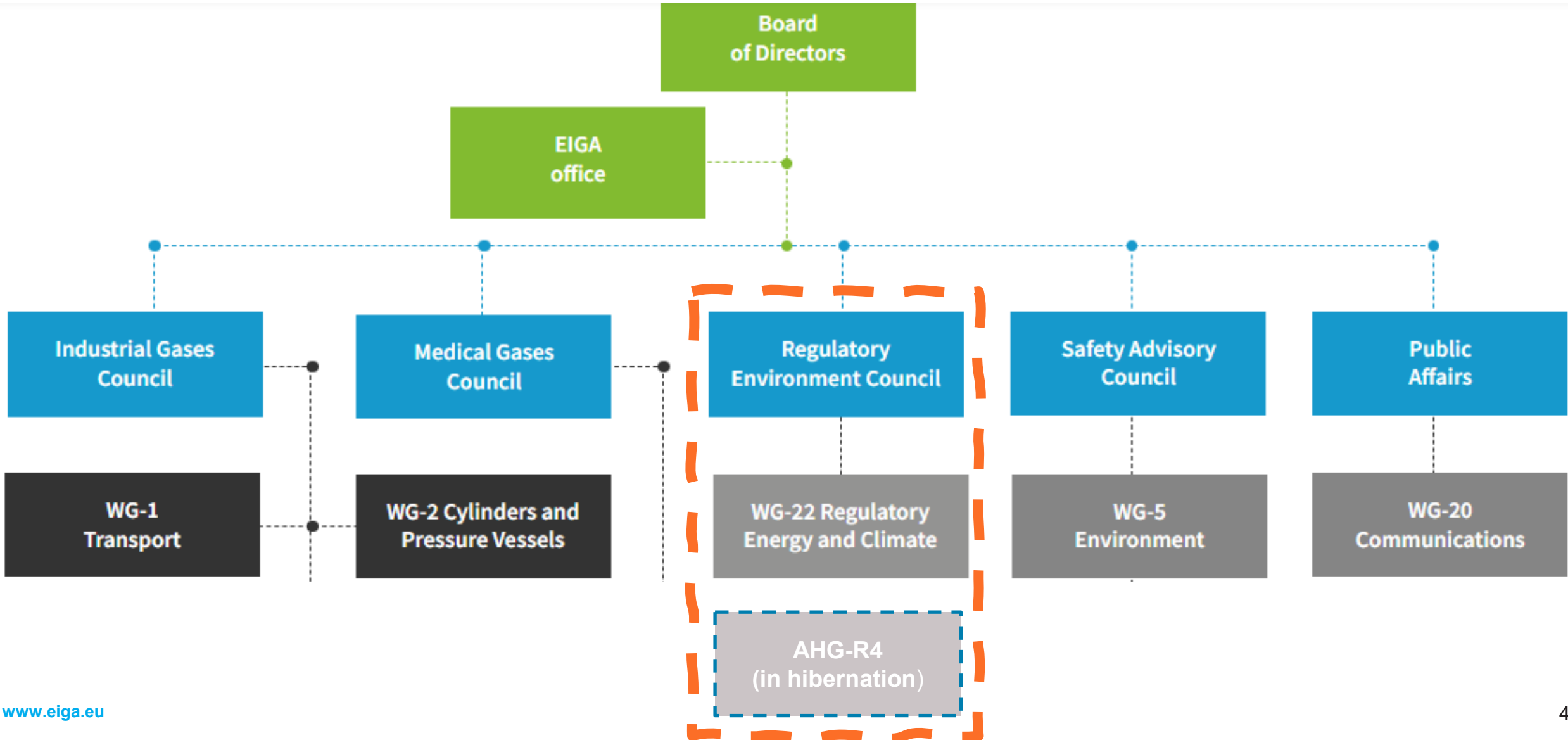
5.3.13 Regulatory Environment Council

The REC exists to ensure that the positions and views of our industry are developed on major regulatory changes that could affect our business environment.

The aims and objectives are to promote EIGA's views and contribution to sustainable development, in particular the European low carbon economy project, and defend the Industrial Gases interests with regard to the new directives and regulations which could have detrimental consequences on the industrial gases business model as well as on the environment.

Source: [Doc 901/24 REV](#), December 2024

Structure:



New Chairs:

REC:

Thank you, **Jan Swoboda!**

Tim Evison is now in the chair

WG-22:

Thank you, **Joaquín González-Blas Sánchez!**

Fiona Dubernet is now in the chair



- Organisation

Activity

- Outlook 2025 – 2026

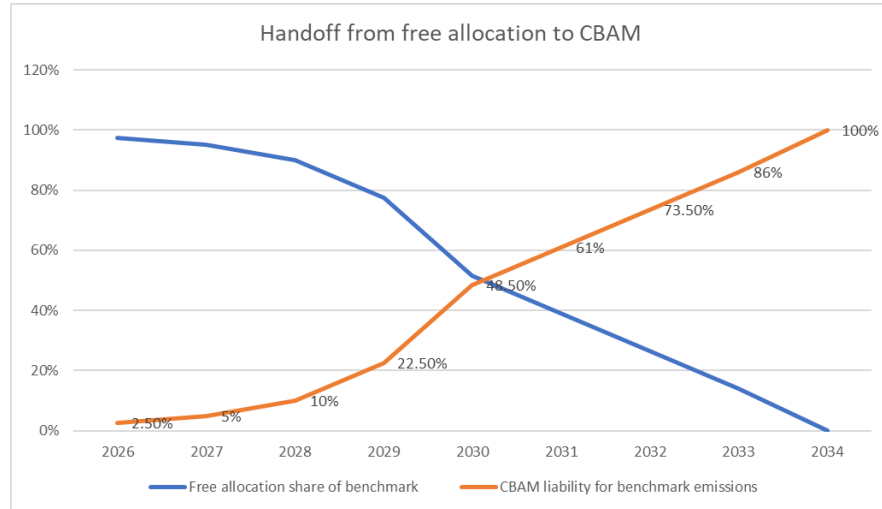
Current priorities:

Seven legislative topics:

- **H2 benchmark update & LPF for free allocation (ETS/CBAM) #1**
- ETS State Aid Guidelines
- Update/revision of the EU H2 Strategy
- Low carbon H2 (role of LCH)
- Biogenic CO2
- CO2 Transport
- Clean Industrial Deal (incl. Affordable Energy Plan, State Aid Framework, ..)

#1: CBAM is replacing free allocation, starting 2026

- Free allocation will be phased out in CBAM sectors (in %) by 2034



(Article 10a(1a) of the [ETS Directive](#))

- CBAM covers only “*only the production of pure H_2 or mixtures of H_2 with N_2 usable in ammonia production.. Not covered are the production of synthesis gas or of H_2 within refineries or organic chemical installations, where the H_2 is exclusively used within those plants, and not used for the production of goods listed in the CBAM Regulation*” ([CBAM Guidance](#))

#1: Ensure LPF despite H2 benchmark update / FA / CBAM

- EIGA/CEFIC successful advocacy secured advantage for outsourced H2 with revised formula for free allocation under hydrogen benchmark, despite decoupling from CWT / refinery benchmark
- However, the CBAM factor applied to outsourced hydrogen threatens the level playing field (LPF) versus insourced hydrogen equivalent if:
 - CWT / refinery benchmark were to be unchanged from 2030
 - Refinery products / insourced H2 were not to be included under CBAM



EIGA must continue to engage with the EU institutions to ensure LPF and to avoid possible distortions from CBAM beyond 2030

Other priority topics:

Dossier	Details / Impact	Timeline
Clean Industrial Deal (CID)	Flagship policy of the new Commission, focused on improving competitiveness and accelerating decarbonisation. Broad priorities and ‘asks’ to be agreed by REC on 20.5.25. Concern expressed to Commission regarding exclusion of hydrogen from CBAM <i>de minimis</i> exemptions.	Ongoing
EU Hydrogen Strategy	Measures to promote the uptake of renewable and low-carbon hydrogen are a priority for the Commission: e.g. ‘hydrogen mechanism’ to be launched in June 2025. In its reply to the ECA , the Commission accepted the recommendation to update its 2020 hydrogen strategy based on new NECPs from MS, whilst noting that “ <i>the legal framework is mostly complete and the report does not recommend changes to the legislative framework.</i> ”	Q2 2025
Low Carbon Hydrogen (role of LCH)	Development of LCH DA is slower than had been planned by the Commission in CID. Submission made to EU consultation 25.10.24. Revised draft of LCH DA leaked on 29.4.25. To be reviewed by WG-22 15.5.25.	Q2 2025?
ETS State Aid Guidelines	The Temporary Crisis and Transition Framework, which provides a temporary exception to state aid rules, will be replaced by the Clean Industrial Deal State Aid Framework (CIDSAF). Submission made to EU consultation 8.4.25.	Q2 2025?
Biogenic CO2	Existing certification frameworks (RED2, CertifHy, ..) should be aligned with biogenic CO2, establishing its source and ensuring its traceability for producers and end-users/consumers. EU workshop being planned and white-paper expected later this year.	Unclear
CO2 Transport / Infrastructure	The EU is expected to come forward with a regulatory package on CO2 transport infrastructure (provided for in the Industrial Carbon Management Strategy).	Unclear

Agenda

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Outlook

Clean Industrial Deal (COM/2025/85)

“Aligning decarbonisation with competitiveness”:

- Focusing on:
 - energy-intensive industries such as steel, metals, and chemicals, that need support to decarbonize..
 - the clean-tech sector
 - affordable energy
 - boosting demand for clean products
 - Circularity and access to materials
 - Financing the clean transition





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THANK YOU!

