Joint letter on the inclusion of sustainable renewable fuels in the EU mobility legislation

To the attention of:
Executive Vice-President Frans Timmermans,
Commissioner Adina Vălean,
Commissioner Kadri Simson,
Commissioner Thierry Breton,

Copies:
Director-General Petriccione, Director-General Hololei, Director-General Juul Jørgensen, Director-General Jorna

Brussels, 30 November 2020

Dear Executive Vice-President Timmermans,
Dear Commissioner Vălean,
Dear Commissioner Simson,
Dear Commissioner Breton,

The signatories of this joint letter represent a crucial part of the automotive, fuel, energy industry and civil society in Europe, i.e. a combined force behind the transformation of EU mobility towards climate neutrality in a smart and sustainable way.

The European Union has set itself the ambitious objective of becoming climate neutral by 2050 and consequently raised its 2030 climate target. Whether the objective will be achieved and what impact this will have on EU competitiveness and employment strongly depends on the design of a suite of climate policies for the coming years. Transport and future mobility will be a central element of these policies. The EU's long-term climate strategy cannot rely solely on the development of new technologies and infrastructures; it must embrace a diverse portfolio of solutions in parallel, including existing sustainable renewable liquid and gaseous fuel solutions that can reduce greenhouse gases starting today.

Against this ambition, the EU Commission will outline the Sustainable and Smart Mobility Strategy and revise important mobility and energy legislations, such as CO_2 emissions standard for cars, vans and also heavy-duty vehicles. These upcoming revisions are the timely opportunity to implement a truly technology neutral approach by including the contribution to emissions reduction achieved using sustainable renewable fuels.

Key recommendation

It is paramount **to recognise and include the renewable fuel dimension in the revision of the CO_2 emissions standard regulation for vehicles.** Leveraging on the CO_2 emissions reduction only at tailpipe level is not sufficient to ensure the shift to carbon neutral mobility. Without the contribution of sustainable renewable fuels, the CO_2 emissions from the EU fleet will not be reduced fast enough to meet the target in 2030 and towards net-zero objective in 2050.

The contribution from sustainable renewable fuels recognised in the context of the CO_2 fleet target will further support the path towards net-zero mobility, generating additional volumes to the Renewable Energy Directive II, according to the same sustainability criteria. The recognition should happen through a new mechanism that encompasses the contribution of sustainable renewable fuels when determining manufacturers compliance with their CO_2 emission targets.

This recommendation aligns with the following principles, crucial to achieve a carbon neutral road transport sector in Europe:

- Technology and fuel diversity towards 2050 - With increased climate targets there is added urgency for transport to accelerate its path towards net-zero emissions. To facilitate this acceleration, a broad portfolio of solutions is necessary to support the full spectrum of geographic, economic and vocational market demands. Considering the lack of a "one-size-fits-all solution", it is imperative that all low carbon options, including alternative and renewable fuels, play a role in the energy transition not only on the existing fleet but also for new vehicles to curb the GHG emissions from the road transport sector across all the EU countries.

- Coupling the efforts for the expansion of the sustainable renewable fuels market with further improvement of vehicle efficiency - Despite gains in fuel efficiency, increased demand for personal mobility and freight transport have led to increased CO_2 emissions from road transport. It is necessary to leverage all available solutions to reverse this trend and accelerate the decarbonisation of the sector. Accelerating the production of sustainable renewable fuels, accompanied by continued development of a range of new vehicles optimised for these fuels, can have a climate-positive impact today via the existing and future vehicle fleet for both passenger cars and heavy-duty vehicles.

- Enabling a competitive, sustainable market till 2050 - Many publications[1,2] have shown that relying on full electrification alone will not result in climate neutrality in 2050. Products and solutions need to be placed according to their mission profile, where they are more necessary and accommodating the market demand. Conventional fuels and engine technologies provide a stream of revenues for vehicle manufacturers that can continuously be invested into alternative powertrains and solutions, according to the mission segment. As global players, vehicle manufacturers will maintain a central role in delivering innovative products, also in other parts of the world.

- Integrating a growing rate of renewables in the market to practice the circular economy while seizing industrial opportunities – Sustainable renewable fuels technologies offer sectorial integration with the waste management and the agricultural sectors. This enables a clever approach to treat waste materials, which would have otherwise been disposed with the consequent emissions, while producing sustainable energy and, at the same time, high quality by-products like bio-fertiliser. This is a landmark example of circular economy targeting emissions in agriculture and waste. At the same time, the production of sustainable renewable fuel technologies involves a long value-chain, from renewable energy systems to components, taking place mostly in Europe. Sustainable renewable fuels value chain can contribute to create many new jobs and to maintain industrial leadership, while strengthening the cooperation with third-countries on innovative energy projects to speed up the energy transition.

- System affordability - It is key to avert mobility poverty and to avoid a two-speed Europe while heading towards a carbon neutral mobility system. Being based on proven engine technologies and an already structured distribution network, sustainable renewable fuels are the most cost-efficient way to contribute to the decarbonisation process at the lowest possible cost to society. Besides the cost in relation to emission reductions, it is important to consider the impact on industrial competitiveness, innovation, affordability, and employment to ensure a fair transition for all European citizens.

Our industries are ready to contribute to a technology-open, ambitious but pragmatic regulatory framework to drive the decarbonisation of EU road transport.

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[1] Determining the environmental impacts of conventional and alternatively fuelled vehicles through LCA, Ricardo

[2] COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS *Stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people*. SWD/2020/176 final

List of Signatories

International and European Associations

National Associations and Companies

Annex I – List of signatories

International and European Associations

1. **ART Fuels Forum** - European Alternative and Renewable Transport Fuels Forum
2. **CLEPA** - European Association of Automotive Suppliers
3. **EBA** - European Biogas Association
4. **eFuels Alliance**
5. **ePURE** - European Renewable Ethanol Association
6. **EUROGAS**
7. **EBB** - European Biodiesel Board
8. **EWABA** - European Waste-to-Advanced Biofuels Association
9. **Farm Europe**
10. **FuelsEurope** - European Refining Industry Association
11. **IDA** - International DME Association
12. **IRU** - International Road Union
13. **LGE** - Liquid Gas Europe
14. **LSB** - Advanced Biofuels Coalition
15. **Methanol Institute**
16. **NGVA Europe** - Natural & bio Gas Vehicle Association
17. **Sustainable Fuels**
18. **UPEI** - Union of the Independent Fuel Suppliers

National Associations and Companies

19. **Amici della Terra**
20. **CIB** - Italian Consortium Biogas
21. **DVGW** as coordinator of the **INDUSTRIEKREIS CNG** - Deutscher Verein des Gas- und Wasserfaches
22. **Ecofuturo**
23. **Ecomotive Solutions**
24. **FCIO** - Association of the Austrian Chemical Industry
25. **Giga** - Gruppo Informale per la Geotermia e l'Ambiente
26. **Federchimica - Assogasliquidi**
27. **Federchimica - Gruppo Chimica da Biomassa**
28. **Landi Renzo**
29. **Mazda Motor Europe GmbH**
30. **Metatron**
31. **Münzer Bioindustrie GmbH**
32. **MVaK** - MittelstandsVerband Abfallbasierter Kraftstoffe
33. **MWV** - Mineralölwirtschaftsverband e.V.
34. **NGV Italy** - Natural Gas Vehicle Association Italy
35. **R2G** - Research Centre for Renewable Gases
36. **VDB** - Verband der Deutschen Biokraftstoffindustrie e.V.
37. **VDMA** -Verband Deutscher Maschinen- und Anlagenbau e.V.
38. **VERBIO** - Vereinigte BioEnergie AG
39. **Westport Fuel Systems**