

Sustainable and Smart Mobility Strategy – EBA' contribution to the public consultation

EBA calls the European Commission to finally adopt a technology-neutrality approach on transport fuels if it really wants to speed up the decarbonization. For truly a sustainable transport sector in Europe all technologies will need to play a role. Transport is in fact the only sector which is not decarbonizing but shows even an increase in the GHG emissions on a yearly basis since 2014. The deployment of electric vehicles and related infrastructure is crucial but will not be enough to decarbonise all sectors of transport, including heavy-duty and maritime, and in a fast and costeffective way. The need for further actions to reduce emissions in the transport sector must be addressed without delay. Biomethane is available as of today and can contribute to speed up transport decarbonization in the coming years and make sure its economic benefits remain in the EU.

The advantages of renewable gas are backed by a significant scale-up potential. A recent study from CERRE estimates the EU could produce 124 bcm (approximately 1211 TWh) renewable methane. In transport, this potential can be tapped with already available technologies: Biomethane is already being used in gas vehicles in Europe. The share of renewable energy in transport in the EU was 8.6% in 2018 whilst the share of biomethane in gas fuelled cars accounted for 17%. Also, the fuelling infrastructure is growing: according to NGVA Europe¹, there were in 2019 50% more LNG stations in Europe compared to 2018, while LNG powered heavy-duty vehicle registrations nearly tripled in 2018-2019. Also, the number of CNG stations grew by more than 300 units in 2018-2019 resulting in 3732 stations at the end of 2019. However, only e-mobility benefits for targeted legislative support, such as super-credits under the article 5 of Regulation (EU) 2019/631.

Important to mention that alternative fossil fuels such as CNG, LNG and LPG have environmental benefits compared to conventional fuels such as low NOx emissions and they enable the gradual transition to their renewable counterparts. In comparison with petrol and diesel, natural gas generates already a GHG emission reduction that can go above 23%. GHG emissions of natural gas vehicles become close to zero, or even negative, when considering biomethane pathways. Also with bioLPG it is possible to achieve CO₂ reductions of up to 80% compared to conventional LPG, dependent on the feedstock used.

Recently, Spain has recognized the positive effects of biomethane and has set the CO2 contribution of biomethane fuelled cars to "0" in a Tank-to-Wheel (TtW) approach. This is in line with the initiatives implemented in other countries, such as Sweden, which recognizes the great potential of biomethane in the transport sector.

The use of renewable gases has large additional environmental benefits. Apart from the substantial improvement of air quality by lowering NOx emissions and particulate matter, renewable gas provides a bridge to a circular economy, one of the top priorities of the European Green Deal. As biomethane is embedded in the society, it can help cities and municipalities to establish a local and circular bio-economy in by integrating waste management and local renewable energy production. In the light of

¹ <u>https://www.ngva.eu/medias/2019-in-numbers-gas-in-transport-to-satisfy-european-consumers/</u>



the COVID-19 situation, it is more important than ever to have local and resilient value chains. Furthermore, biomethane is a corner stone towards agro-ecology by increasing biodiversity, soil health, food security and promoting resource efficiency and minimizing mineral fertilizer. It further stimulates rural economy development and provides localized green jobs. This production process provides the lowest greenhouse gas emissions when measuring lifecycle emissions of vehicles and fuels compared to any currently known energy source in the automotive industry.

Biomethane can thus contribute to a significant reduction of greenhouse gas emissions, particularly in sectors that are outside the EU ETS, such as transport and agriculture.

The EBA recommends the urgent implementation of the following policy measures:

- The Strategy on Sustainable and Smart Mobility shall recognise the potential bio-CNG and bio-LNG along other alternative fuels such as *renewable* electricity contributing to the resilient and crisis-proof transport system of the future generations.
- Ensure further deployment of biomethane and other alternative fuels, alongside e-mobility, in the transport sector, and promote these fuels given their decarbonization potential to foster the implementation of green fuels.
- Set targets for biomethane use in transport by 2030.
- Switch from TtW (Tank-to-Wheel) to WtW (Well-to-Wheel) or LCA (Life Cycle Assessment) approach by 2030 in all transport and fuel related legislation to guarantee the accurate and comprehensive quantification of CO2 emissions in the transport sector.
- Recognise biomethane as a non-CO2 contributor, on equal footing as electric mobility, while WtW /LCA approach is not implemented. This could be set in the context of the revised Energy Taxation Directive or Fuel Quality Directive, as well as the Regulation setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles.
- Promote biomethane and bio-LPG as green fuels in the Alternative Fuels Infrastructure Directive (AFID).
- Encourage EU car manufacturers to develop and produce the required clean fuel gas engines that will enable the scale-up of biomethane and bio-LPG in the transport sector
- Encourage EU-member states to tax (energy, CO2) fossil fuels to finance green transition.

The full position of the EBA on transport: <u>https://www.europeanbiogas.eu/wp-content/uploads/2020/07/EBA-Transport-position-paper_FINAL.pdf</u>