EBA contribution to the consultation on the CO2 standards – Inception Impact Assessment

EBA welcomes the efforts of the European Commission to revise the existing legislation to achieve the required 90% emissions reduction in the transport sector by 2050.

To make this necessary green transition in the transport sector, the EC must understand the interlinkages between different sectors and tap into all available sustainable options, as in most other EU legislation: the AFID, the RED II and the FQD (gaseous fuels will likely be included in the scope.) These Directives pursue technology neutrality which is sorely needed to ensure a fast, safe and affordable transition. However, alternative fuels cannot be deployed if the vehicle manufacturers are required to focus unilaterally on e-cars. Unfortunately, this inception IA gives the impression that this technology biased approach will be further strengthened.

The release of fossil CO2 has a cumulative effect and must be prevented. Relying on electricity only presents major drawbacks:

- Electricity production is, to a large extent, still fossil based and all projections show that this will still be the case in the coming next years. The choice of 100% electrification will thus not result in decreased CO2 emissions by 2030.
- a too high dependence on a single technology and supply sources creates high risks: need to produce and recycle an enormous quantity of batteries, this without full clarity on its impact on environment, costs and European industry.
- The current CO2 emission standards force car manufacturers to focus only on electric vehicles, which puts in danger the efforts of various Member States to reduce their transport emissions by advanced biofuels.

Alternative renewable fuels such as bio-CNG (and bio-LNG) are already available and affordable. They can reduce emissions by more than 100% (JEC 2020), improve air quality by reducing NOx emissions and particulate matter. NGVs are produced in Europe and cause less noise pollution than conventional petrol or diesel cars and have often a much longer range than electric ones. The share of bio-CNG in the transport gas mix is continuously increasing in Europe being currently at 17%. In all the Nordic countries and the Netherlands, the share is well above 50%. Additionally, bio-CNG and bio-LNG can rely on the existing infrastructure without massive investments – as in the case of e-mobility. Finally, renewable methane can also support electrification: the use of methane enables large scale deployment of renewable electricity since power-to-gas provides a cost-efficient solution to store excess electricity in the form of renewable methane.

The potential of sustainable biomethane production is enormous: a minimum of 1000-1200 TWh by 2050 (according to several recent studies). In 2030, 40% biomethane will be easily available to power the entire NGV fleet which is currently estimated at over 13 million vehicles. This will already result in an overall GHG emissions reduction of 55%. With supportive legislation, the share could be further ramped up. The EU must realise, and translate into its legislation, the close link between vehicle and fuel legislation.

EBA understands that an LCA approach to vehicles may not be realistic before 2030, but this must be the ultimate aim. In the meanwhile, we urge the European Commission to incorporate a voluntary crediting system, or any other possible tool like recognising biomethane as a non-CO2 contributor -

on equal footing with electric mobility - as only biogenic CO2 is emitted, in the European legislation. If this is not done at this stage, low carbon fuels' contribution to the CO2 emission reduction will be lost and citizens with low and middle income lose their access to low-carbon mobility. Thus, we urge the EC to create a level-playing field between all low-carbon fuels and technologies. Relying on the CO2 emissions reduction only at tailpipe level – without making a difference between fossil and biogenic CO2 - is not sufficient to ensure the shift to carbon neutral mobility.