EBA
European Biogas Association

EBA Policy Recommendations
Proposal for a Regulation on the accounting of greenhouse gas emissions of transport services (CountEmissions EU)

The European Biogas Association (EBA) welcomes the European Commission's proposal for a Regulation on the accounting of greenhouse gas emissions of transport services, which sets a common regulatory framework for GHG emissions accounting across the entire multimodal transport chain. EBA supports the Commission's determination to ensure accurate and comparable information to businesses and their customers regarding the carbon footprint for both passenger and freight services, while also providing the EU with a level playing field between all transport modes.

Most importantly, EBA applauds the decision to adopt a technology neutral and science-based approach (i.e., a Well-to-Wheel (WtW) methodology[1]), allowing for a complete assessment of the environmental impact of the energy used in transport operations. As confirmed by the Joint Research Centre[2] (JRC) of the European Commission, a WtW analysis is required to properly assess the climate impact of different technologies.

The transport sector currently accounts for about one quarter of the EU's total GHG emissions. As asserted by the European Environment Agency (EEA)[3], the EU transport sector may not attain its overall climate-neutrality target by 2050, also because of the increasing freight volumes which are an important contributor to the overall sector emissions. Transparent disclosure of the emissions originating from transport services will enable consumers to take informed decisions, thus impacting – and hopefully redirecting towards greener freight and logistics choices – those companies in charge of planning transport services.

Nevertheless, to ensure the quick and efficient decarbonisation of the multimodal transport chain as a whole, also thanks to the use of sustainable biogases, the proposal should:

- **Develop a sound and coherent default values database**: The default values must be based on Annex VI, and expanded to additional sustainable feedstocks and new technologies, taking into account mitigation measures already implemented. The database must be periodically reviewed via Implementing Act, after a thorough consultation of national experts and stakeholders from the value chain.

- **Mandate the application of the CountEmissions EU**: After a transitional period, the Regulation should require businesses providing transport services to measure and disclose their GHG emissions under the CountEmissions EU framework. Moreover, it would be beneficial to introduce specific reduction target for the economic entities covered by the Regulation.

[1] A Well-to-Wheel methodology is the assessment of the environmental impact of a given fuel, looking at all emissions generated from production to end use in the transport sector.
[2] JRC (2020). Well-to-Wheels Report Version 5
[3] EEA (2022). Report No 2/2022 "Decarbonising Road transport — the role of vehicles, fuels and transport demand".

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Emissions of the EU Freight Transport

Employing some 6 million people, freight transport is a core activity of the Single Market. On the other hand, this sector accounts for over 30%[4] of transport CO2 emissions and is an important source of air pollutant emissions. Additionally, as our economy grows, freight volumes are also projected to increase. By 2050, it is predicted that freight transport will have increased by 50%[5], and along with it, inevitably, its emissions are likely to rise.

It is therefore crucial that the freight sector contributes its fair share in order for the EU to meet the environmental and climate goals outlined in the European Green Deal, while maintaining its competitiveness in the global economy.

By establishing a common framework to calculate the door-to-door WtW GHG emissions of transport services, the CountEmissions EU will enable consumers to make conscious choices able to influence operators' freight and logistics preferences.

Biomethane as a solution for transport decarbonization

In the run for EU's decarbonisation, technology neutrality and sustainable vectors complementarity will be key to ensure a fast, resilient and just transition. Sustainable biomethane as a transport fuel represents one of the few ready-available, local and cost-competitive alternatives to conventional fuels for all transport modes, especially for energy intensive segments (heavy duty, maritime and, in the near future, aviation). Able even to achieve negative emissions[6], biomethane represents a key solution in the transition towards a climate neutral economy and can play a strong role to de-risk the shift from fossil to renewable energy.

As of today, Europe is the world's largest producer of biogas and biomethane, which can significantly contribute to the decarbonisation of all end-uses, including transport[7]. The market has positively reacted to the REPower EU target, and investments are flowing in the deployment of new biomethane capacities. This availability will be nevertheless heavily conditioned by the EU legislative framework.

Aside from the well-established benefits of lowering emissions and strengthening EU circular bioeconomy[8] [9], the EU can achieve its energy independency thanks to biomethane. Especially considering ongoing geopolitical uncertainties, it is essential to promote and preserve the EU strategic autonomy in the energy sector by implementing policies that support energy sources produced and technologies developed in the EU, all activities creating jobs in a number of sectors of the internal market.

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[4] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Greening Freight Transport (COM/2023/440 final)
[5] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Greening Freight Transport (COM/2023/440 final)
[6] Depending on the feedstock utilized.
[7] Under a WtW perspective, a vehicle running on 40% biomethane mix can reduce the CO2 emissions by 55%, while a blend of 20% bio-LNG can reduce maritime GHG emissions by up to 18%, and 100% bio-LNG can reduce GHG emissions by up to 93% in the combustion cycle.
[8] EBA (2023). Beyond Energy: Regenerative agriculture
[9] EBA (2023). Beyond energy: monetising biomethane's whole system benefits

Recommendations

On the path to climate neutrality, all transport modes and operations must become more energy efficient and less polluting. To unlock the valuable role of biomethane in accelerating the sector decarbonization, EU policy must be consistent and capable of valorising this fundamental energy.

➢ Development of a sound and coherent default values database

The Proposal charges the European Environmental Agency (EEA) to develop and maintain European databases of default GHG emission intensity values and GHG emission factors (Articles 6 and 8).

The biogas sector is already subject to strict scrutiny and must comply with the sustainability criteria set out in the Renewable Energy Directive (RED) to have access to public support, be zero-rated under the EU Emission Trading System, and to be accounted towards the renewable energy targets. The REDII framework establishes a methodology for calculations of GHG emission. Indeed, RED Annex VI includes a set of default values[10] (based on modelling assumptions developed by the JRC[11]) that biogas plant operators can use to proof the fulfilment of sustainability requirements. However, one of the main drawbacks of these default values is that they solely cover a limited set of substrates (such as manure, silage maize and biowaste) rather than encompassing a wide range of feedstock options.

Therefore, to ensure a sound and coherent database, the EEA should – based on the default values set in Annex VI – expand the list to additional biogas and biomethane production pathways covering additional feedstocks (e.g., catch/cover crops, sequential crop grasses, industrial residues), carbon capture and reuse, and new technologies. The EEA should also break down the default values to account for mitigation measures already implemented by specific plants, acknowledge the improvements in design and operations accomplished in the past decade, and base its calculations on recent measurement campaigns only.

Moreover, the databases should be periodically reviewed via Implementing Act, after a thorough consultation of national experts and stakeholders from the value chain.

➢ Mandatory application of CountEmissions EU in the transport sector

In its proposal, the European Commission decided for a binding opt-in approach, meaning that the Regulation imposes the requirement to use the common framework only when an entity providing or organising a transport service chooses or is mandated by other means (for instance, by other EU or national legislation or through contractual relations) to both calculate and disclose GHG emissions data for this service.

To ensure a truthfully harmonised GHG emissions accounting, the Regulation should require all businesses and other entities organising and providing transport services in the EU market to measure and disclose their GHG emissions under the CountEmissions EU framework. However, a transition period of four years from the enter

[10] Annex VI Directive (Eu) 2018/ 2001 of the European Parliament and of the Council on the Promotion of the Use of Energy from Renewable Sources -REDII

[11] Giuntoli, J, Agostini, A, Edwards, R, Marelli, L, 2017 Solid and gaseous bioenergy pathways: input values and GHG emissions-Calculated according to methodology set in COM(2016) 767: Version 2, 2017. European Commission JRC

into force of the Regulation should be foreseen. This would be the most effective approach in order to facilitate the uptake of GHG emissions accounting of transport services in business practice.

In order to further facilitate the uptake of GHG efficient transport modes, it would be beneficial to introduce – after the transition period – specific reduction target for the economic entities covered by the Regulation.

Looking towards the future: WtW extension to all EU transport legislation

As asserted by the JRC[12], the WtW approach is the most appropriate methodology to properly assess the climate impact of different technologies. Nevertheless, a number of EU legislative pieces currently apply a restrictive "Tank-to-Wheel" (TtW), or tailpipe approach, which totally disregards the available shares of renewable fuels, such as biomethane, and their contribution in reducing CO2 emissions in all transport modes, especially in the more energy intensive ones.

The decision to apply a scientifically sound, detailed and harmonised WtW methodological approach in the CountEmissions EU proposal marks an important step towards the implementation of technology neutrality and level playing field in all transport segments, which the EC should as soon as possible transpose in all EU transport legislation.

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About EBA

The European Biogas Association is the voice of renewable gas in Europe since 2009. EBA advocates the recognition of biomethane and other renewable gases as sustainable, on demand and flexible energy sources that provide multiple knock-on socio-economic and environmental benefits. Supported by its members, EBA is committed to work with European institutions, industry, agricultural partners, NGOs and academia to develop policies which can enable the large-scale deployment of renewable gases and organic fertilisers throughout Europe, supported by transparent, well-established sustainability certification bodies to ensure that sustainability remains at the core of the industry. The association counts today on a well-established network of over 290 national organisations, scientific institutes, and companies from Europe and beyond.

[12] JRC (2020). Well-to-Wheels Report Version 5