

To ban, or not to ban, that is NOT the question

Brussels, 11 October 2024: FuelsEurope calls for the recognition of sustainable fuels in the revision of the CO₂ Standards Regulations for Vehicles.

The ongoing political debate on the decarbonisation of road transport and the alarming calls from vehicles manufacturers clearly shows an emerging problem: the lack of technological neutrality in both regulations for light and heavy-duty vehicles is responsible for severely constraining the pathways to meet the CO₂ reduction targets.

As Mario Draghi stated in his Report: “The technological neutrality principle, which has been a guiding principle of EU legislation, has not always been applied in the automotive sector”. And this is certainly the case for both the CO₂ standards for Light-Duty Vehicles and Heavy-Duty Vehicles.

FuelsEurope supports a decarbonised road transport system, and urges the co-legislators to rethink the outright dismissal of critical decarbonisation technologies like renewable fuels, based on the debatable assumption that electrification is the only suitable means to reach climate neutrality in road transport. We call for a revision of the CO₂ standards regulations for vehicles in a way that the contribution of sustainable fuels (biofuels and e-fuels) is recognised towards OEM’s CO₂ reduction targets, as is the case for aviation and maritime.

Liana Gouta, Director General of FuelsEurope, commented: “Alarm signals are multiplying. The Draghi report on competitiveness, the car industry’s challenges to meet its 2025 CO₂ targets taking effect in less than 3 months and loss of competitiveness, civil society’s demand for affordable energy and mobility, clean investments’ rally in other economies of the

world, are signals that the EU policymakers should not ignore. There is no time to lose. A robust technical and economic reassessment of critical legislative pieces, such as the CO₂ regulation is imperative. The goal of climate-neutral transport is clear, but the pathway must be readjusted to include all available CO₂ reduction technologies, accelerate decarbonisation, strengthen the competitiveness of crucial European industrial sectors, offer society alternative and affordable decarbonisation solutions.”

Sustainable biofuels and e-fuels are a reliable solution to effectively and immediately reduce the emissions of the transport sector, across all existing fleets using existing infrastructure. With the future mandatory CO₂ reduction targets for the car industry and the risk of huge penalties looming, recognition of the decarbonisation potential of renewable fuels, would support the EU automotive industry in meeting its mandates, accelerate CO₂ reduction in road transport for all car fleets, both old and new, and give all citizens the opportunity to contribute to CO₂ reduction in their mobility.

Moreover, the recognition of the renewable fuels contribution in the CO₂ standards regulation would deliver a strong political signal to investors in renewable fuel manufacturing in the EU, would create a lead market and a strong business case which could enable the successful scale up of a critical decarbonisation technology. It is also worth noting, that the use of renewable fuels in road transport will not compete with their use in aviation and maritime sectors. On the contrary, it will foster synergies, creating a larger market for

the deployment of advanced biofuels and e-fuels and thereby strengthen the business case for investors to proceed with large scale investments in Europe. Scaling up production and achieving cost reductions will benefit all transport segments, aviation and maritime included.

Our industry urgently calls on the new EU Institutions to rethink the current approach, which creates an artificial competition among industrial sectors, and establish instead the conditions for electrification and renewable to become complementary solutions for the decarbonisation of road transport.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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