#### To the attention of:

Executive Vice-President Frans Timmermans
Commissioner for Transport Adina-Ioana Vălean
Commissioner for Energy Kadri Simson
Commissioner for Internal Market Thierry Breton
Director General Mauro Petriccione
Director General Henrik Hololei
Director General Ditte Juul Jørgensen
Director General Kerstin Jorna

Brussels, 26 May 2021

# Call to include a voluntary crediting system for sustainable renewable fuels into the vehicle CO<sub>2</sub> regulations

Dear Madam or Sir,

The 223 signing associations, companies and scientists of this letter fully support the EU's target to be climate-neutral by 2050 and recognise the major role that the transport sector has to play in this regard. However, the current approach focusing only on tailpipe emissions from new vehicles falls short of ensuring the transition towards climate neutral mobility. In view of the ongoing preparation for the Fit for 55 package, we would therefore like to emphasise the need for a sustainable renewable fuels dimension in the revised  $\mathrm{CO}_2$  standards for cars and vans regulation and for the next step revision for the HDV sector. The EU's overall climate goals can be achieved faster and with greater certainty using sustainable renewable fuels as an additional path to reduce  $\mathrm{CO}_2$  emissions from the EU vehicle fleet.

The results of the related EU stakeholder consultation demonstrate that a large number of respondents are in favour of a mechanism that takes into account the contribution of sustainable renewable fuels in the future  $CO_2$  fleet regulation. With more than 1,000 responses to the question: "A mechanism should be introduced in the  $CO_2$  emission standards for cars and vans so that compliance assessment for each manufacturer takes into account the contribution of renewable and low carbon fuels", approximately 70% responded that this option is of "high importance".

Based on two studies<sup>2</sup>, Frontier Economics proposes a voluntary crediting system that would allow automotive manufacturers (OEMs) to partially benefit from the use of sustainable renewable fuels for compliance with their targets (for the integrity of the system, Frontier Economics suggests capping the volumes of sustainable renewable fuels that OEMs can have credited against their fleet targets).

<sup>&</sup>lt;sup>1</sup> https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12655-Revision-of-the-CO2-emission-standards-for-cars-and-vans-/public-consultation\_en

<sup>&</sup>lt;sup>2</sup> Frontier Economics "Crediting system for renewable fuels in EU emission standards for road transport - Report for the German Federal Ministry for Economic Affairs and Energy (BMWi)" (https://www.frontier-economics.com/media/3937/crediting-systems-for-renewable-fuels-in-eu-emission-standards-for-road-transport-en.pdf), and Frontier Economics "Crediting system for renewable fuels: functionality & benefits - Report prepared for Neste" (https://www.frontier-economics.com/media/4347/crediting-system-for-renewable-fuels.pdf)

Only sustainable renewable fuels additional to the volumes mandated under the Renewable Energy Directive and fulfilling its sustainability criteria would qualify for such a crediting system. In doing so, the system would avoid the double counting of OEMs' and fuel suppliers' CO<sub>2</sub> emission reduction efforts, with each of them having clearly defined responsibilities.

A voluntary crediting system would also send timely investment signals for fuel suppliers to embark on the volume production of sustainable renewable fuels, which are much needed for the decarbonisation of legacy vehicles as well as other transport modes, such as shipping and aviation. As a result, CO<sub>2</sub> emissions from transport would be lowered along the value chain from well to wheel.

We, the signatories, would like to stress that sustainable renewable fuels are meant to complement and not lessen the EU's efforts on electrification during the transition to zero-emission mobility and for as long as favourable conditions for battery electric and hydrogen mobility are not fully in place across all of the EU Member States (e.g. in terms of consumer acceptance, charging and refuelling infrastructure or the GHG intensity of the electricity mix). Sustainable renewable fuels are a long-lasting bridge that will enable the transition from conventional vehicles to zero-emission (tailpipe) mobility and freight transport. A voluntary crediting system would represent a safety net for the massive transformations that companies in transport are already undergoing towards net-zero emission mobility.

In case there are any questions regarding the exact design<sup>3</sup> of a voluntary crediting system, we would be happy to discuss with you the details of such a system in more depth and we remain at your disposal for any feedback or questions.

With kind regards,

The signees

This letter was also sent to respective Head of Cabinets and relevant Cabinet Members as well as to respective Directors, Head of Units and Policy officials in Directorate-Generals for Climate Action (DG CLIMA), Mobility and Transport (DG MOVE), Energy (DG ENERGY) and Internal Market, Industry, Entrepreneurship and SMEs (DG GROW). The letter will also be forwarded to Chairs and Vice Chairs of the committees of the European Parliament (TRAN, ITRE, ENVI, ECON, AGRI).

<sup>&</sup>lt;sup>3</sup> Frontier Economics report's amendment proposals from page 56 onwards: https://www.frontier-economics.com/media/3937/crediting-systems-for-renewable-fuels-in-eu-emission-standards-for-road-transport-en.pdf

### Companies















Alcogroup SA

C4 Energi AB

Chemieanlagenbau Chemnitz GmbH

Hellenic Gas Transmission System Operator S.A.

Engie SA

Eni S.p.A

Envien Group













**ERC ADDITIVE**  $\mathsf{GmbH}$ 

ExxonMobil

**FPT Industrial** S.P.A.

Gas Networks Ireland

Gibgas

GRTgaz SA



Hellenic Petroleum



Hexagon Agility





Landi Renzo S.p.A MAHLE GmbH



(M) mazda

M dynamix

S.A.

IVECO S.p.A

Mazda Motor Europe GmbH

GRDF SA

MdynamiX AG







New Holland Agriculture



OrangeGas B.V.



OMV Group



Prins Autogassystemen B.V.



RenFuel AB



Münzer GmbH

Repsol S.A.

Scandinavianbiogas

Neste Oyj

Scandinavian Biogas Fuels International AB **SIEMENS** energy



Siemens Energy AG | Snam S.p.A.







Sunfire GmbH

Synhelion SA

Sysav Industri AB







Vialle Autogas Systems B.V.



Westport Fuel Systems

Trans Austria Gasleitung GmbH

Total SE

#### **Associations**



Swedish Coalition for Decarbonization of the Transport sector



Association for Emission Control by Catalyst



Italian Association of the Automotive Industry



Portuguese Association of Oil & Gas Companies



Spanish Biofuels
Association



Italian Energy Logistics Association



National Association of Methane Distributors and Transporters



**BIOENERGIA** 

Bioenergy Association of Finland



Biogas Academy Petroleum and Gas
Association

Bulgarian



European
Association of CNG I
Automotive Suppliers Group



CNG Industry



CNG Club e.V.



National Fuel and



Czech Gas
Association
Drivkraft Danmark



European Biogas Association



European
Confederation of
Fuel Distributors



eFuel Alliance



Swedish Gas Association



National Association of Fine Chemicals Companies and Specialized Sectors



National Association of Liquefied Gas Companies

FEDER/IETANO CO GUIDA

National Federation of Methane Distributors and Transporters



Association of Gas and Heat Supply Companies



Association of Finnish Mobility Sector in the EU



Division of the European Petroleum Refiners Association



Iberian Association of Natural Gas for Mobility



Gas Distributors for Sustainability



International DME Association



International Road Transportation Union **KEMIAN** TEOLLISUUS

The Chemical Industry Federation of Finland



European LPG Association



Advanced Biofuels Coalition



Global Trade Association for the Methanol Industry



Mittelständische Energiewirtschaft Deutschland e.V.



Hungarian LPG Italian Natural Gas Association Vehicle Association



Natural & bio Gas Vehicle Association POGP Polish Liquid Gas Association

Polish Liquid Gas Association



European Fuel Ethers Association



Swedish Bioenergy Association



German Association of Small- and Medium-Sized Mineral Oil Companies



The Voice
of Europe's
Independent Fuel

Suppliers

**&UPEi** 



German Biofuel Industry Association



Mechanical
Engineering
Industry Association



German Federation for Motor Trades and Repairs



Austrian Automobile, Motorbike and Touring Club



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Prof. Chiara Galletti

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