

CO₂ Emission Standards for Cars and Vans

FuelsEurope supports the EU's goal of achieving climate neutrality by 2050, recognising this will require breakthrough technologies and an enabling policy framework. As a general comment, we welcome the EU Commission's leadership demonstrated in the ambitious and constructive proposals of Fit-for-55 package.

However, regarding the Commission proposal for the revision of the CO₂ standards for cars and vans, we regret that it does not include any form of recognition of the role of liquid fuels for decarbonising light-duty transport. The Commission has proposed an increased objective of respectively 55% and 50% reduction of CO₂ emissions for cars and vans by 2030 compared to 2021. It has also introduced a 2035 target of 100% reduction which is de facto a ban on the sales of any internal combustion engine (ICE) vehicles, independently on whether the fuel they use is fossil or renewable. We are convinced that the electrification of light duty road transport is poised to play the essential role in the decarbonisation of this sector. However, narrow technology mandates would hamper the effectiveness of the transition, causing higher costs to society and ignoring the additional CO₂ savings that low-carbon liquid fuels could achieve if used in the existing fleets. Moreover, technology exclusions would substantially aggravate job losses in the automotive ecosystem as well as in the low-carbon and renewable fuels value chain, hindering the employment transition in industry more broadly.

We strongly believe that the decarbonisation of transport should be technology neutral and holistic, leaving both the market and the consumer the choice of the most suitable and cost-effective decarbonisation options. While the growing uptake of new electric cars is a major contributor to the decarbonisation of road transport, low-carbon liquid fuels represent a complementary solution and allow to seize the immediate environmental benefit of decarbonising the existing fleet. Low-carbon liquid fuels are fully compatible with existing vehicles and do not require the implementation of new, dedicated distribution infrastructure and refuelling facilities. Thanks to these characteristics, low-carbon liquid fuels will bring social benefits to the EU while making the energy transition more accessible.

The scale of the effort required by the 2050 decarbonisation objective is not the same for all 27 EU Member States. Indeed, millions of EU citizens and business, especially in many Central, Eastern and Southern EU Countries actually rely on older, inexpensive and often second-hand vehicles. With technological alternatives out of their reach, these EU citizens will be left behind during the transition and more significantly, low-income families will find it harder to preserve their fundamental mobility rights.

We therefore believe that a more inclusive approach to policies for low-carbon fuels is needed. Low-carbon liquid fuels can complement the EU's efforts on electrification of cars by providing a parallel decarbonization pathway for the existing and the future ICE based fleet.

The hard-to-abate sectors of heavy-duty road, aviation and maritime transport are still facing numerous challenges and the Fit-for-55 package emphasises a high degree of interconnectivity of all the legislative proposals in the package – for example, the new ETS for road transport (and buildings) which requires a holistic plan to meet all targets.

Recognising the contribution of low-carbon liquid fuels in this regulation would support the production at scale of low-carbon liquid fuels for the mitigation of GHG emissions from the existing car fleet. The technologies for sustainable and renewable fuels are capital intensive and road transport can play a critical role as a lead market, as a no-regret option to scale up these fuels for the subsequent benefit of aviation and maritime.

We call for revisiting the CO₂ standards proposal by including an appropriate mechanism which, while keeping the separation of responsibilities between vehicle and fuels manufacturers, still allows the regulation to account for the CO₂ benefits generated when low-carbon liquid fuels replace fossil fuels. A fuel crediting system (see for example [Crediting System - Crediting System \(crediting-system-for-renewable-fuels.eu\)](https://www.fuels-europe.eu/crediting-system)) could represent a viable solution.

Based on the above reflection on the proposed revision of the CO₂ standards and the challenges ahead to achieve the goal of climate neutrality by 2050, FuelsEurope will continue to engage with the Members of the European Parliament and the Council, as well as with the EU Commission, to review the proposal and to emphasise the role of low carbon liquid fuels in the energy transition in line with the 2030 and 2050 climate objectives.

FuelsEurope, the voice of the European petroleum refining industry

FuelsEurope represents with the EU institutions the interest of 41 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales.

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