

Overall consensus at the 10th Refining Forum: Refining's transition to low-carbon liquid fuels is an essential part of the strategy for climate neutrality in industry and transport.

Brussels, 22 February 2021: The 10th High Level Meeting of the Refining Forum hosted by Commissioner Simson and DG Energy took place on Thursday 18 February. The meeting also involved representatives from other Commission services, the Parliament, Member States, industry, and civil society. Participants stressed the critical role of biofuels and e-fuels in all transport sectors and welcomed the creation of the *Renewable & Low-Carbon Fuels Value Chain Alliance*. Participants also called for the inclusion of these fuels in the taxonomy, the need for a new industrial strategy, and a socially just transition. Finally, they also recognised the role of the refining industry in successfully delivering a low-carbon transport sector.

The 10th Edition of the High Level meeting of the Refining Forum discussed the transformation of the European Refining Industry in the frame of the European Green Deal, and debated how the shift towards the production of fossil-free liquid fuels would contribute to a climate neutral transport sector in the EU.

There is not one single solution. Low-carbon liquid fuels will have a critical role to play in enabling climate neutrality in Transport.

In her opening remarks, Commissioner Kadri Simson stated *"The EU wants European industry to thrive with the Green Deal."* She declared that in 2050 transport fuels will be a mix of electricity, biofuels, hydrogen, bio-methane and e-fuels, and added that she has seen the confidence coming from the refining sector *"with initiatives such as your Clean Fuels for All, a tool that sheds a light on the steps we need to take."*

The modelling team of DG Energy presented the findings of their work, on which Ms. Ewelina Daniel commented *"All modelling exercises show that without e-fuels we cannot meet carbon neutrality"*. Andreas Zucker concurred with his colleague *"particularly for transport and industry we need to ensure that advanced solutions, notably renewable hydrogen, and renewable and low carbon fuels, are demonstrated at scale during*

this decade. Only then we will be able to deliver reductions needed to achieve carbon neutrality."

From the heavy duty truck industry, Henrik Henriksson, CEO of Scania, stressed that his voice is not the only one advocating for biofuels: *"Biofuels are the only viable solution here and now. The incremental change of electric trucks will be minimal, replacing the fuel will have a much bigger impact."* He said that non-food crops grown on the available idle land and municipal waste will provide the feedstock for sustainable biofuels. Mr. Henriksson furthermore emphasised that there is no silver bullet *"hydrogen could become an alternative, but it is too early to confirm"* and finally called for a well-to wheel approach to deliver a fossil free transport in the EU.

Marta Yugo, Science Executive at Concawe, also stressed that there is not one single solution. From the research conducted by Concawe, Marta Yugo concluded that *"Alternative fuels and powertrain combinations can offer similar GHG reduction as Battery Electric vehicles depending on the energy source used."*

Member States also represented at the meeting expressed their views. Italy represented by Wolfgang D'Innocenzo underlined the significant role that electrification will play, but stressed that it would not be sufficient to decarbonise the

transport sector. The Italian representative stated *“we have to grant full citizenship to advanced low-carbon fuels.”* The Greek representative shared a similar statement by underlining the fundamental role refineries and low-carbon fuels have to play in the energy transition.

The need for a new industrial strategy and a fair and inclusive taxonomy.

Member of the European Parliament Anna-Michelle Asimakopoulou stated *“it is regrettable that low-carbon liquid fuels, which are instrumental for the EU’s energy transition by 2050 and beyond, are not covered in the EU’s taxonomy for sustainable finance, even though they contribute to meeting our climate goals.”*

She underlined that the EU needs taxonomy criteria and thresholds that move away from a “brown list”, facilitates investments in low-carbon technologies and respects Member States rights to decide their energy mix. MEP Asimakopoulou added *“the new industrial strategy needs to set the appropriate framework facilitating investments for green transitions in key sectors strengthening the EU’s Strategy Autonomy such as climate-related techs and transitional energy.”*

Judith Kirton-Darling, Deputy Secretary General at IndustriAll Europe declared *“We should not pick winners, but support the willing”* and added *“blacklisting entire sectors under the Taxonomy will not deliver, decarbonising the EU must not mean de-industrialising the EU”*. She also said that the refining sector is of strategic importance, and it contributes to keeping mobility affordable.

Fulvia Raffaelli from DG Grow commented that the European Green Deal has become the EU’s growth strategy. She underlined *“We have to take the opportunity of Covid-19 not only to recover but to transform our industry.”*

The EU needs a Just Transition.

Judith Kirton-Darling, Deputy Secretary General at IndustriAll Europe recognised the strategic importance of the refining sector and its crucial importance for decarbonising transport. She

explained that European Trade Unions are concerned by the way the targets will be achieved. She commented *“We have to deliver fairly the industrial transformation, it has to include social guarantees for quality jobs, and decent living conditions for thousands of workers.”*

The need for a renewable liquid fuels strategy for the EU and close cooperation between institutions and industry.

Mr. Herald Ruijters, Director at DG Move, stated *“DG Move will fully cooperate with DG Energy and the refining sector to ensure we have the fuels to deliver.”*

Béla Kelemen, President of FuelsEurope, emphasised the role of low-carbon liquid fuels in the long-term, alongside electrification and hydrogen, but warned about the risk of losing an essential technology if low-carbon liquid fuels were not given a favourable framework to develop. He therefore welcomed the creation by the Commission of the “Renewable and Low-Carbon Fuels Value Chain Alliance” and called for a liquid fuels strategy for Europe.

John Cooper, Director General at FuelsEurope, added *“Europe has a strategy for electrification, for power generation, for vehicles and infrastructure, for Hydrogen and Batteries, Raw Materials, for Industry in general. We applaud all of this and our members are involved in many cases. There are elements of a strategy in liquid fuels, but this seems to be uneven across the Commission.”*

Rethinking policies and the role of long term contracts.

John Cooper commented *“there are strategic and no-regret reasons, to support the growth of renewable liquids, through road transport policy. There are other reasons too, like leaving no-one behind in access to low carbon transport, for example those that buy low cost, and older cars and vans, or operate long distance heavy transport.”* He added that vehicle regulation plays a dominant role in road transport policy, at EU and

Member State level, and today it fails to recognise any renewable liquid fuel, biogenic or captured carbon, for cars or trucks.

Finally John Cooper presented the policy concept to develop long-term contracts for renewable fuels for customers, where customers get some policy recognition and support for their commitment, for what will be a higher cost fuel. Brendan Devlin, Adviser, strategy and foresight at DG Energy, underlined that such long-term contracts, although they had been an under-

utilised form of support for renewables as well, are in the support of new energy options a very strong mechanism to warrant their uptake.

Béla Kelemen and John Cooper thanked Commissioner Simson and DG Energy for organising this event and confirmed their intention to closely collaborate with the Commission on this critical subject.

- Ends -

FuelsEurope, the voice of the European petroleum refining industry

FuelsEurope represents with the EU institutions the interest of 40 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.

Contact : **Alain Mathuren**
T +32 2 566 91 19
alain.mathuren@fuelseurope.eu
www.fuelseurope.eu