

FuelsEurope welcomes the outcome of Council to complement the vehicle electrification strategy with the potential for hybrids with renewable fuels

<u>Brussels 29 June 2022:</u> The constructive discussions and agreement at Council over vehicle CO2 standards have seen several members states bring important new elements. The outcome recognises the critical role of electrification but also the potential for hybrid ICE vehicles with renewable fuels to give an additional route for citizens to access climate neutral transport. This means more choice for citizens, especially to access new lower cost vehicles, and also maintain jobs in Europe's world class clean hybrid ICE technologies. This is why these developments are progressive; for FuelsEurope <u>this was never about reducing ambition</u> – it was about enabling more routes and support for more investments in renewables in molecular energy forms.

We should all recognise that, while we think of this regulation as applying to carmakers, in societal terms this regulates what can citizens purchase in future. Given that today some 90% of car buyers are still buying ICE-based vehicles, and over 95% using liquid fuels, opening the regulation to recognise climate neutral fuels simply makes sense. It also accelerates the transition of liquid fuels, which are still essential to resilience and security of Europe's economy and society.

John Cooper said: "Can we meet the standard of climate neutral fuels at scale, exclusively supplied to new vehicles? We have already done our homework to show decisively that we can. The potential to scale up production of sustainable advanced biofuels and synthetic fuels is very significant, as evidenced by expert studies outlining the availability of the additional (non-food) feedstocks within Europe. Alongside the existing electrification strategy, the way forward must include a route to bring new supply of renewable fuels to market in a manner that gives governments, citizens as customers, and investors the assurances they each need, and we must avoid creating unnecessary policy risk that can stand in the way."

Inspired by these outcomes we will redouble our work to make renewable fuels in land-based transport a significant and constructive contribution to meeting the targets of the Green Deal, and to give every assistance to the Commission for their assessment process prior to the 2026 review.

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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.

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