

## A Victory for Politics over Science: The Commission's CO<sub>2</sub> Heavy Duty Vehicles proposal creates unnecessary risks and lost opportunities for European Industries.

**Brussels, 15 February 2023**

The European Commission proposed yesterday a pathway for Heavy Duty vehicles (HDVs) that forces manufacturers to move almost entirely to battery and fuel cell vehicles from 2040. Currently, 98% of HDVs run on a liquid fuel, allowing great flexibility of logistics (1500km range) and great security of supply (over 90 days EU-wide fuel stocks).

### **The most severely impacted sector is the Road Transport Industry**

In reality, the most impacted sector here is the European Road Transport industry that keeps the Single Market moving and delivered every day 24/7, as this regulation restricts what they can buy and operate in future.

Technologies for battery-electric and fuel cells trucks are developing fast and have a big decarbonisation potential. But today there is only a tiny fraction of 1% of electric or fuel cell trucks in operation worldwide, in pilot programmes. John Cooper, Director General of FuelsEurope commented: *“Given the clear uncertainty of the availability of batteries from Europe, charging infrastructure and additional renewable electricity, and the clear potential for liquid renewable fuels to be part of the long-term solution, it is astonishing that the Commission forces a huge system change on European logistics with apparently such limited evidence of viability and effectiveness, and when renewable fuels could clearly be part of the solution too.”*

### **With sustainable biofuels representing already 7% of all road fuels, far more than electric trucks, the Fuel Industry has the potential to scale up production and reach up to 150Mt/year**

In response to the Paris Agreement and the call from the Commission for every industry to develop its transition plan, the Fuels Industry has developed its transition plan and has already started investing and producing. We have shown our extensively worked strategy, based around multiple conversion technologies, with an extensive supply of European feedstocks. There are at least 28 projects already under way in Europe and we have the potential to scale up much further up to 150Mt/year. And we should remember that already some 7% of all road fuel volume is renewable biofuels meeting the sustainability standards defined in the RED. This is already far more than that achieved by electric and fuel cell trucks.

## **By closing the road transport market to renewable liquid fuels, the Commission is giving up on massive investments in Europe**

But this proposal, following closely after the CO<sub>2</sub> in Cars Decision, creates big red lights for investors in renewable fuels in Europe. While we and many clean-tech start-ups are already investing to supply sustainable aviation and maritime fuels, we have consistently maintained that investing in new capacity, and scaling up the critical advanced bio conversion technologies will simply go faster if road transport recognition and demand is part of investment cases. The Commission has chosen to ignore these messages.

John Cooper stated: *“It is worth noting that the US Government’s Blueprint for Decarbonisation of Transportation shows a clear role for renewable fuels in HD Trucks and possibly also in cars. This is not just a plan; now the Inflation Reduction Act provides clear, investable incentives to drive progress. This is in sharp contrast to the EU Commission’s outright dismissal of this critical route to decarbonisation.”*

### **The victory of politics over science**

The proposal is based on a test procedure and regulation that is not fit for purpose. Neither is it a true CO<sub>2</sub> regulation since the vehicle keeps receiving a zero rating despite the amount of CO<sub>2</sub> produced in making the truck, or the propulsion electrical or H<sub>2</sub> energy; nor is it an efficiency standard as excessive consumption of electricity or hydrogen still gets a zero rating for the truck.

Scientific life-cycle analysis based on ICCT work supplemented with Concawe data shows that trucks fuelled with 100% renewable fuels can have a CO<sub>2</sub> impact equally as good as an EV truck. John Cooper mentioned *“Given the additional advantages of range, energy storage and infrastructure readiness, it is hard to understand how such an option can be excluded, given the clarity of the scientific justification. The right answer surely is to see all of these technologies as complementary, not in competition.”*

### **The Commission has rejected all options that could correct the shortcomings of the Tank-to-Wheel approach**

Many stakeholders, industrial associations and academics have offered solutions to correct the shortcomings of the tank-to-wheel approach without the need to completely scrap it. Carbon correction factor, low-carbon fuels credits, exclusive use of carbon-neutral fuels are all viable options that the Commission has rejected. Nevertheless, we are confident that the Digital capabilities of the auto and fuel industries can provide ample assurance of consistent renewable fuel use in future vehicles.

John Cooper concluded: *“We call on the European Parliament and the Member States to amend the Commission proposal, in favour of a technology-inclusive approach allowing the logistics chains to choose the most suitable for the various types of operations, the fuels suppliers to accelerate*

*investments for transition to non-fossil fuels and the EU economy to gain in security of supply and resilience.”*

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**FuelsEurope, the voice of the European Fuel Manufacturing Industry**

FuelsEurope represents with the EU institutions the interest of 38 companies manufacturing fuels in the EU. FuelsEurope aims to contribute to the EU legislative process by proactively developing policy positions and proposals that will contribute to meeting the overall EU objective to achieve climate neutrality for the bloc by 2050.

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