

## In 2050, low-carbon liquid fuels could reduce net GHG emissions from passenger cars & vans by 87% compared to 2015.

**Brussels, 24 September 2018:** Two important studies are published today, the refining industry's long-term strategy for low-carbon liquid fuels and a study by Ricardo Plc examining a scenario for near- full electrification of light duty vehicles and comparing it with a combination low-carbon liquid fuels and electrification scenario. These two studies show that a low-carbon liquid fuel strategy could reduce net CO2 emissions from transport by up to 87% compared to 2015, similar to that achieved by an ambitious EV scenario. This strategy offers a global solution for transport including the very challenging segments, aviation, marine & heavy-duty road transport. This technology neutral approach would allow many technologies to compete and to contribute to the overall objective of reducing GHG emissions from transport. The study also shows that this scenario could be more affordable for Member States' public finance through 50% lower investment requirements for EV charging and network infrastructure, and less reduction in tax revenues.

In April 2018, FuelsEurope presented its Vision for 2050, the broad principles of its long-term strategy for low-carbon liquid fuels. The introductory work has also been complemented with a comprehensive study describing the strategy in detail, outlining policy proposals and a number of low-carbon technologies that are currently being developed or deployed.

The Vision 2050 also includes key findings from an important and extensive study by Ricardo, published today as well, comparing a scenario that achieves GHG reductions in light road vehicle primarily from full electrification by 2050 , with an alternative scenario that uses a mix of technologies, with some electrification, and also low-carbon fuels. This alternative scenario enables achievement of the same level of CO2 emissions as a High EV scenario, secondly shows that the technologies are complementary to electrification, and thirdly represents a much lower cost for public finance with regards to EV charging and network infrastructure, €390 Billion vs €830 Billion for the high EV scenario. All of the scenarios are very ambitious, but it is clear that using a wider range of technologies than electrification alone can reduce the risks of resource constraints on achieving the GHG reduction goals.

The Refining Industry's vision consists of liquid fuels and products progressively lower in carbon intensity, increasingly using new feedstocks such as renewable power, hydrogen and biomass, wastes and captured CO2, as part of a very efficient manufacturing cluster to supply Europe's citizens and businesses. It is based on many different technologies which are already developed but at early stages of commercialisation. John Cooper, Director General FuelsEurope commented *"There is another strong advantage; as these technologies are deployed widely, the fuel will be supplied to all of the ICE-based vehicles on the road, enabling a greater GHG reduction than that possible with an approach depending on full fleet turnover to EVs."*

John Cooper explained *"The industry's Vision 2050 is a comprehensive proposal for reducing GHG emissions in transport. By developing these low-carbon liquid fuels we can achieve the EU's long-term climate objectives by providing a solution for all transport sectors."* He added *" Let us be clear, there is, today, no alternative to liquid fuels for a significant portion of aviation, marine and heavy-duty road transport, and also we shouldn't forget the need for sustainable feedstocks for petrochemicals."*

This strategy is also an industrial opportunity for Europe to gain leadership in these low-carbon technologies, all of which will be key for the strategy of the wider industrial base. With suitable development of the long-term policy framework to attract investments in Europe, the refinery of the future can be a pioneering low-carbon manufacturing hub integrated with a cluster of industries, able to expand this industrial collaboration in future low-carbon technologies.

John Cooper concluded *“The early stages of the strategy are already a reality, as can be seen from the*

*many projects, completed, started and planned across European refining. However, to realise the full potential of this ambitious vision for fuels, transport and energy intensive industries, we will need an evolution of policies, and the political vision to integrate it in the industrial and technology strategies for Europe's future. We look forward to working with the full range of stakeholders to make this vision become reality.”*

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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.

FuelsEurope aims to inform and provide expert advice to the EU institutions and other stakeholders about European Petroleum Refining and Distribution and its products in order to:

- Contribute in a constructive way to the development of technically feasible and cost effective EU policies and legislation.
- Promote an understanding amongst the EU institutions and citizens of the contribution of European Petroleum Refining and Distribution and its value chain to European economic, technological and social progress

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