

FuelsEurope statement on vehicle efficiency standards post-2020 (CO₂ in cars and vans) – A call for the recognition of fuel CO₂ reduction contribution to vehicle efficiency standards

Brussels, 2nd October 2018

FuelsEurope published last week its Vision 2050¹ which shows that low-carbon liquid fuels and efficient Internal Combustion Engines (ICE) vehicles can achieve, by 2050, 87% net greenhouse gas (GHG) reduction compared to 2015, which is similar to net GHG reduction in a Full Electric Vehicle (EV) scenario. This reduction can be achieved at much lower cost (**€390 Billion**) for EV charging and network infrastructure compared to the full EV scenario (**€830 Billion**) as estimated by Ricardo².

We therefore believe that the EU's transport GHG reduction policy should be holistic, and include in addition to lower carbon fuels and vehicles, traffic demand, infrastructure improvements, and driver education/training/behavior. We believe that the current Tank-to-Wheel (TTW) approach for the vehicle efficiency standards has been effective in promoting improvements in the ICE-based vehicles. A sensible continuation in the short term of the CO₂-efficiency targets is supported, provided the following points are considered.

We call for a technology neutral approach towards ambitious but achievable targets such that they can be cost-effective and delivered by different technologies

Credible academic¹ work shows the considerable potential in further efficiency improvements of the ICE-based vehicles. Therefore CO₂-efficiency targets should be set that are mostly achievable with foreseeable ICE vehicle technologies to encourage their further development.

Recognise fuel CO₂ reduction contribution to CO₂ vehicle efficiency standards

Fuel providers will be expected to deliver fuel improvements, for example CO₂ savings associated with renewable components in the fuel.

The Vision 2050 study already shows that many technological developments have started and some are now deployed, although at small scale, or close to be. The Vision 2050's Low-Carbon Liquid Fuel scenario shows that the 87% net GHG reduction will be achieved by a variety of liquid fuels, such as biofuels (54%), e-fuels (14%), and electricity (23%).

The recognition of fuel CO₂ reductions will create clear and aligned interest for the auto and fuel sectors and encourage investment in new fuel technologies.

Recognising the contribution of the fuel CO₂ reduction to CO₂ vehicle efficiency standards will enable:

- The alignment of interests for the auto and fuel sectors and encourage investments in new technologies.
- Supplying the entire existing light duty fleet as these appear on the market, thereby enabling a wider GHG reduction compared to the usual fleet renewal scenario.
- Contributing to creating an incentive for further developments of ICE technologies for transport sectors where electrification is currently not an option.

- ENDS -

¹ Vision 2050: <https://www.fuelseurope.eu/vision-2050/>

² Ricardo Plc - Impact Analysis of Mass EV Adoption and Low Carbon Intensity Fuels Scenarios – August 2018

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.

FuelsEurope aims to promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU, by providing input and expert advice to the EU institutions, Member State Governments and the wider community and thus contributing in a constructive and pro-active way to the development and implementation of EU policies and regulations.

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