

Renewable Energy Directive – Transport, Heating & Cooling

FuelsEurope supports the Green Deal’s ambition for climate neutrality in 2050 and will work with the EU institutions, member states, and stakeholders, to help create the essential enabling policy framework. In this EU policy framework debate on the 2030 GHG reduction target and the 2050 climate neutrality objective, the decarbonisation of transport – a sector with far-reaching implications and unique challenges- is a precious opportunity for the EU economy to:

- develop and deploy innovative low-carbon technologies in vehicles and fuels/energy.
- create economic value for the transport systems and to help the relevant EU industries achieve world-leadership.

At the same time, the transition should carefully address the societal aspects deriving from the changes in employment pattern, skills requirements and inequalities between EU regions and sectors of society.

We appreciate that the revision of the Renewable Energy Directive (RED) provides the opportunity to step up the contribution of sustainable and renewable liquid fuels in transport and the building sector. We encourage adopting a technology-neutral approach enabling the use of available options with proven emission-reduction credentials. This includes biofuels from crop, which meet stringent sustainability criteria, encourage the wider deployment of certified biofuels from sustainable agricultural biomass, waste and residues, as well as renewable fuels of non-biological origin including hydrogen and hydrogen-derived synthetic fuels called e-fuels and recycled carbon fuels.

Higher ambitions in decarbonisation efforts of sectors, and in particular the transport sectors, should not be required while at the same time narrowing options to achieve the desired targets, on the contrary, higher ambition requires access to a wider pool of feedstocks which will help to drive competition and contribute to the affordability of the decarbonisation effort. FuelsEurope therefore calls: To remove the cap on the use of Annex IX, part B feedstocks. At the same moment that the scope of the to be decarbonised transport sectors is widened, the double counting is eliminated and that by natural evolution over time all processes will end up as mature and so be capped in their output, is not coherent with a higher and more affordable decarbonisation ambition for the transport sectors. Therefore the unconditional cap of 1.7% by energy of Annex IX – part B feedstocks is no longer justified and needs to be removed.

To remove to proposed modification to Annex V, part C, point 18. Fuels from residues not listed under Annex IX of the RED II constitute an important part of sustainable biofuels produced today. By proposing to add an indirect greenhouse gas emission burden to these residues (see point 18 of Annex V, part C), they are unduly penalized. We are of the opinion that the procedures to update Annex IX, as put in place by the RED II, should be used instead of the proposed modification to Annex V, part C, point 18.

We welcome the initiative to allow compliance trading at member state level, but it would be preferable to have such a mechanism applicable at EU level. In our opinion this would be more efficient and effective, encouraging a wider and quicker development of solutions, and leading to an overall lower compliance cost.

In order to ensure a more harmonised approach across the Union, we would like to see that the consideration to allow recycled carbon fuels to comply, at the Union level, rather than leaving this with the discretion of member states, provided this is done in a way that is in line with other environmental and climate policies and unintended consequences are avoided.

The desire to increase the use of renewables in the building sector is acknowledged. We are of the opinion that banning technologies, like boilers is not appropriate. We acknowledge the desire to reduce the use of fossil fuels in heating applications but we would like to point to the fact that alternative fuels can be used to reduce the greenhouse emissions of heating significantly. Therefore we find it more appropriate to talk about replacement of fossil heating sources, rather than replacement of fossil heating systems.

FuelsEurope is and remains ready to work with the EU to contribute to the decarbonisation of the mobility sector in a sustainable, affordable and social inclusive way.

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.

Contact : **Marta Yugo**
marta.yugo@fuelseurope.eu
www.fuelseurope.eu