

## PRESS RELEASE

### EU ignores potential of climate-friendly eFuels for new passenger cars and vans

In its latest trilogue between the Commission, Parliament and Council, the EU today agreed on new CO<sub>2</sub> fleet targets for passenger cars and light-duty vehicles. In doing so, they are focusing solely on electric vehicles and not giving synthetic sustainable fuels for passenger cars a chance. The eFuel Alliance disapproves of this approach.

**Brussels/Berlin, 27 October 2022:** The one-sided focus on electric cars is limiting the opportunities of a rapid, climate-friendly transformation of the transport sector as well as creating new dependencies, especially on China. This has prompted the eFuel Alliance to call for the European Commission to take eFuels into account when determining fleet targets. Doing so would not only facilitate a faster shift away from fossil fuels, but also create additional options for manufacturers and customers.

The future use of eFuels for passenger cars and light-duty vehicles was last discussed at the Environment Council on 28 June. In this context, at the urging of the Free Democratic Party (FDP), a member of the ruling coalition, Germany's federal government, introduced Recital 9a as a compromise. The recital recommends permitting CO<sub>2</sub>-neutral fuels for new cars with internal combustion engines even after 2035. However, this is only a recommendation to the Commission that is legally non-binding. In the view of the eFuel Alliance, this proposal does not go far enough.

Ralf Diemer, Managing Director of the eFuel Alliance, expressed his disappointment in the decision, saying: "We need a fleet regulation that makes openness to all technologies binding for the purpose of rapid defossilisation. In contrast, the outcome of the trilogue is one-sided and ignores options that are just as climate-friendly." In addition, he criticised the fact that the ban on combustion engines is not in line with the eFuel quotas for the fuel market that the Parliament and the Council have decided on, saying: "It is inconsistent to require the use of eFuels in road traffic and then to outlaw their long-term use in combustion vehicles in the next step. This unsettles industry as well as consumers and discourages urgently needed investments."

Accordingly, the eFuel Alliance now views the FDP as bearing primarily responsible to take additional action. As a result of the recital, German Transport Minister Volker Wissing, also of the FDP, had promised at the end of June: "The ban on the combustion engine is off the table." Diemer stresses that much more pressure must now be exerted to secure a binding regulation: "Now that the FDP has introduced Recital 9a, Transport Minister Volker Wissing must also work for the swift adoption of a legally binding provision. Otherwise, the recital will remain meaningless and valuable time for a successful transformation process will be lost. If Volker Wissing wants to avert the impending ban, then his ministry should present a proposal in Brussels as soon as possible on how new vehicles that can be proven to run on CO<sub>2</sub>-neutral fuels can continue to be registered even after 2035."

The eFuel Alliance sees the current decision in the trilogue as a misguided signal that is already generating considerable uncertainty in the automotive and fuel industry. Instead of thwarting future-proof technologies, a way must be found to continue to allow climate-neutral combustion vehicles. Ralf Diemer also questions the importance of competition, saying: "Why does a climate-neutral combustion engine have to be banned? If electric cars truly are the best solution for everyone, they will prevail in a fair competition. If not, customers should be offered alternatives. Thus, the EU urgently needs to define a pathway for making road transport fit for the future in a way that is without technological bias."

#### >>>The eFuel Alliance e.V.<<<

The eFuel Alliance is an interest group committed to promoting the political and social acceptance of eFuels and to securing their regulatory approval. We represent more than 180 companies, associations and consumer organisations operating at different levels of the eFuel production value chain. We stand for fair competition and equal competitive conditions for all relevant emission-reduction solutions. We are firmly committed to further climate change mitigation and seek recognition for the significant part eFuels can play in sustainability and climate protection. Our aim is to create the conditions for the industrial production and widespread use of CO<sub>2</sub>-neutral fuels from renewable sources of energy.

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