

## PRESS RELEASE

## EU institutions agree on CO2 targets for heavy duty vehicles: "Missing the mark"

**Berlin, 18 January 2024:** European legislators have decided against the use of CO2-neutral fuels such as eFuels in the first and decisive trilogue negotiation on stricter CO2 emissions targets for heavy duty vehicles (HDV). The use of eFuels is only planned as a review by the Commission and has been postponed until the next evaluation in 2027. This also solidifies the EU's "all-electric" approach for our logistics chains on the road. The outcome of the negotiations still needs to be finally confirmed by the Council and Parliament.

With an increase of the CO2 reduction targets to 45% in 2030, 65% in 2035 and 90% in 2040, the phase-out of the combustion engine in road freight transport has now also been initiated for HDVs. The possibility of crediting climate-neutral fuels, for example through a so-called <u>carbon correction</u> <u>factor</u>, was not anchored in the legal text, but will also be reviewed by the Commission during the evaluation. Alongside the CO2 fleet regulation for cars, only tailpipe emissions continue to be taken into account for HDVs and buses. This means that only drives that do not emit any CO2 during use are considered climate-friendly - even if 100% climate-neutral fuels are used. These are electric trucks, those with fuel cells and, as an exception under certain conditions, hydrogen combustion engines.

"This decision is forcing the transport industry to actively enter the unknown. Up to now, battery-powered trucks or vehicles with fuel cells have not been able to cover daily distances of between 500 and 1000 kilometres. Furthermore, there is no Europe-wide megawatt charging network that is necessary for trucks, nor is one within reach," criticises Ralf Diemer, CEO of the eFuel Alliance. "To make matters worse," Diemer continues, "this does not really help to achieve a breakthrough in Climate Action, because this regulation does not care how much CO2 is emitted during the generation of electricity or hydrogen, while a truck with a combustion engine fuelled with 100% renewable eFuels is excluded as an option due to local CO2 emissions at the tailpipe".

According to ACEA, the European Automobile Manufacturers' Association, a total of 15,000 charging points for heavy duty vehicles will be needed in Europe by 2025 and 50,000 by 2030, and so far these simply do not exist. The same applies to the refuelling infrastructure for hydrogen. Diemer adds: "We urgently need several technology paths to ensure the operability of our logistics sector. There is also no answer to the question of how these high investments in the infrastructure and in the acquisition of the very expensive vehicles are actually to be financed. As a result, this regulation ensures that the road transport sector is not incentivised to ramp up the industrialised production of hydrogen and eFuels. Against the backdrop of climate change, this is not only incomprehensible, but also contrary to all economic reason."

"The use of eFuels for heavy duty trucks requires no further evaluation or review. Nor does it require any new infrastructure for refuelling with liquid or gaseous fuels. Not even new trucks are required. What we need are clear regulatory perspectives so that investments can be made in large plants for the production of CO2-neutral fuels. Then, thanks to economies of scale, we can produce and supply the required quantities at more favourable prices. This neither contradicts investments in electrification nor prevents the supply of eFuels for aviation and shipping."

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

The eFuel Alliance is an interest group committed to promoting political and social acceptance of eFuels and to securing their regulatory approval. We represent more than 170 companies, associations and consumer organizations along the eFuel production value chain. We stand for fair competition and equal competitive condition 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 CO2-neutral fuels from renewable sources of energy.



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