

PRESS RELEASE

Tackling the 2040 climate targets with pragmatism

Berlin, February 8 2024: The European Commission recently published its climate targets for 2040, recommending a 90% reduction in CO₂ emissions compared to the reference year 1990. E-fuels and carbon capture, storage and utilization (CCUS) play a central role in this for the first time. Nevertheless, there is no concrete phase-out year for fossil fuels. A market ramp-up of climate-friendly fuels is more relevant than ever.

In 2022, the greenhouse gas emissions of the 27 EU member states could be reduced by 32.5% compared to 1990. "The challenges remain high despite falling emissions," emphasizes Ralf Diemer, Managing Director of the eFuel Alliance. The high share of fossil fuels forecast for 2040 remains alarming. The Commission assumes that the consumption of fossil fuels for energy generation will fall by around 80% compared to 2021. However, according to the paper, crude oil still accounts for a third of the remaining energy use in the transport sector. "A fatal development. Rapid scaling of climate-neutral fuels is absolutely essential for a greater reduction in the proportion of fossil fuels and thus for an earlier phase-out," says Diemer.

For the first time, the EU recognizes the role of climate-neutral fuels not only in aviation and shipping, so that e-fuels should make an important contribution in many areas in the paper presented - including for existing vehicles. Various scenarios are used to project different market penetrations. However, the various deployment scenarios fall short of their potential and thus pave the way for dependence on fossil fuels: "The level of ambition is far too low. The EU had the opportunity to set higher quotas in the Renewable Energy Directive (RED), in the FuelEU Maritime and in the ReFuelEU Aviation. Clear investment and planning security is already needed today in order to offer fuel producers incentives. Not making adjustments until a review in 2027 is wasting time that we don't have," Diemer points out.

In order to achieve the new 2040 climate target, a large number of political measures are required - particularly in view of the fact that the achievement of the 2030 targets is by no means certain and the forecasts even indicate that the targets will not be met. The current communication serves as an impetus for a political debate and as a basis for future legislation to be introduced by the next Commission. The Net Zero Industry Act (NZIA) is leading the way.

A broad portfolio of climate-neutral technologies is fundamental to achieve significant reductions in emissions. Their domestic production is now to be stimulated with the help of the NZIA, which provides faster approval procedures, for example. "The NZIA will enable member states and industry to promote specific sectors of the future," explains Diemer.

The trilogue agreement sets out a list of relevant technologies for this, which also includes eFuels in the Sustainable Alternative Fuels category, with reference to FuelEU Maritime, ReFuelEU Aviation and REDIII. Diemer continues: "This is an important EU-wide signal to maintain the EU's existing pioneering role in eFuel technologies. Especially against the background of the upcoming national implementation of the Renewable Energy Directive (RED), the NZIA in this form can accelerate and strengthen the ramp-up of clean technologies". In the run-up to the decision, numerous industry representatives drew attention to an open regulatory design of the NZIA in a [joint letter](#).

>>>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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