

PRESS RELEASE

Renewable fuels in road transport - finding a joint solution for cars and trucks

Berlin, February 09, 2024: In today's vote by the ambassadors of the 27 member states, the German government has agreed to tighten the target for the CO2 fleet regulation of heavy commercial vehicles. This means that a 90 percent reduction in CO2 emissions by 2040, except for vehicles with hydrogen combustion engines through electromobility (battery or fuel cell), is considered sealed. Despite pressure from the FDP and the Federal Minister of Transport, Volker Wissing, but also from governments of other member states, such as Italy or the Czech Republic, it was not possible to find a technology-open path for trucks. However, eFuels are to be taken into account via a so-called recital. Parallel to the CO2 fleet regulation for cars, the EU Commission is called upon to find a solution here.

"We welcomed the fact that the FDP and Federal Transport Minister Wissing have once again put this important decision up for discussion," emphasizes Ralf Diemer, CEO of the eFuel Alliance. However, it would have been even better if, together with other member states in the Council, a more fundamental debate on the system of this regulation had been initiated earlier. "Now we have another recital that ultimately does not commit us to anything and we must hope that the EU Commission will pick up the ball and present further proposals for the inclusion of renewable fuels."

A similar compromise has already been found for the regulation of passenger cars. Since last fall, the EU Commission has not made a concrete proposal on the extent to which a combustion vehicle powered exclusively by eFuels can be newly registered from 2035. This must also be defined for trucks in the future. A commission of experts from the EU Commission and the member states has not yet been able to find a compromise. The industry is working in parallel on possible solutions, which it intends to present to the new Commission by the end of 2024. A potential inclusion of eFuels has so far only been provided for in the 2027 revision of the regulation. The recital now under discussion would make it possible to prevent further delays in the market ramp-up. So far, however, the EU Commission has shown little interest to seriously implement the Member States' mandate. It therefore remains to be seen whether a pragmatic solution will ultimately be found.

It would have been better to anchor the consideration of eFuels directly in the legislation. This has now failed for both cars and trucks. This makes urgently needed market incentives for renewable fuels more difficult. "If we use the existing CO2 fleet regulations to open up the large sales market for cars and trucks as well as the possibility of investment, we will create planning security, a short-term opportunity to stimulate the market ramp-up of e-fuels and manifest a pillar of climate neutrality in 2050. With positive effects not only for our logistics chains on the road, but also for the availability of e-fuels for aviation and maritime." adds Diemer.

In terms of climate protection and greater economic efficiency, using all solutions is the right way forward. It remains incomprehensible why renewable fuels are not included alongside the ramp-up of other alternative drive systems, such as battery-electric solutions or those with fuel cells.

Together with <u>other industry representatives</u>, the eFuel Alliance has been drawing attention to further compliance options since the start of the negotiations on the CO2 fleet regulation for heavy commercial vehicles.

>>>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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