

PRESS RELEASE

Highly Efficient Combustion Engines Are Only Sustainable with Renewable Fuels – Tailpipe Emissions No Longer the Key Metric

Berlin, November 28, 2025: The German Federal Government plans to push in Brussels for reversing the planned phase-out of combustion engines. Its joint position on revising the EU CO₂ fleet regulation introduces several long-awaited, and potentially decisive, changes. The eFuel Alliance welcomes the move.

“Germany’s stance often sets the tone in Brussels. This joint position sends the right signal. What matters now is visibility — and ensuring the ideas actually make it into the legislation. Only if Germany argues its case the government’s position prevail,” says Ralf Diemer, CEO of the eFuel Alliance.

Under the government’s proposal, vehicles with dual powertrains — including plug-in hybrids, range extenders and highly efficient combustion engines — should be explicitly reflected in the rules. Bavarian Minister-President Markus Söder has also argued that future CO₂ assessments must take into account the entire lifecycle, not just tailpipe emissions, as is currently the case.

“The auto industry needs more flexibility between now and 2035. At the same time, we must keep climate protection front and center. Our drivetrains need renewable energy,” explains Diemer. “Hybrid models, range extenders and highly efficient combustion engines can only play their part if the electricity used for charging is green and the fuels themselves are renewable.”

Still, despite the government’s initiative, there is a real danger that overly ambitious requirements will be imposed — standards the industry simply cannot meet — resulting in a de facto ban on combustion engines. During the last revision of the CO₂ fleet rules, the Commission pledged to propose a pathway for combustion-engine vehicles running exclusively on eFuels. To date, no workable plan has materialized. To allow hybrids, range extenders and highly efficient combustion engines beyond 2035, the Commission must now put concrete ideas on the table. Three elements, [widely supported by the auto industry](#), are essential:

1. The CO₂ fleet rules currently recognise only battery-electric vehicles as zero-emission models. A genuinely climate-focused approach must also factor in emissions from production and transport — across *all* vehicle segments. A full lifecycle assessment is needed.
2. The share of renewable fuels in the market is steadily increasing. A [carbon correction factor](#) (CCF) must reflect this shift.
3. A new vehicle category should be created for combustion-engine models that run solely on renewable fuels. Industry has already submitted [several concepts](#) for how such a category could be defined.

“The slower electrification progresses, the more crucial renewable fuels become,” Diemer stresses. “Only with renewable fuels can highly efficient combustion engines contribute meaningfully to climate protection. Brussels needs to act — and act quickly.”

>>>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 160 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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