

PRESS RELEASE

New Vehicle Category for CO₂-Neutral Fuels and Fuel Credits: A Limited Opportunity

Berlin, 18 February 2026 – In response to the European Commission’s proposed “Automotive Package”, the eFuel Alliance has published a new [position paper](#). The association calls for the creation of a dedicated vehicle category for cars running exclusively on CO₂-neutral fuels and for strengthening the proposed “fuel credits” mechanism.

The Automotive Package introduces limited flexibility from 2035 onwards, lowering the required emissions reduction in the CO₂ standards for cars and vans from 100% to 90%. Part of this reduction could be achieved through CO₂-reduced materials, such as green steel and through renewable fuels via fuel credits. However, the proposal caps the contribution of CO₂-neutral fuels at 3%.

“This is a first step – but it falls short of what is technically and economically feasible. The EU risks missing out on opportunities for climate protection, jobs and industrial value creation,” says Ralf Diemer, Managing Director of the eFuel Alliance.

To properly reflect a life-cycle approach in the CO₂ standards, two changes are needed. First, a new vehicle category should be introduced for passenger cars and light-duty vehicles that run exclusively on CO₂-neutral fuels. These vehicles should be recognised as zero-emission vehicles under the CO₂ fleet regulation.

“In its own scientific impact assessment, the European Commission concludes that introducing such a vehicle category would accelerate emissions reductions. Yet this category is absent from the current proposal. Establishing it was a commitment made by the Commission to the German Federal Government and is a central element of the revision of the fleet standards. We expect this commitment to be honoured,” Diemer adds.

Second, renewable fuels must be fully eligible under the fuel credits mechanism for these vehicles to deliver their full potential. Through fuel credits, the Commission would, for the first time, recognise emissions reductions achieved during vehicle operation through the use of CO₂-neutral fuels.

“This marks important progress towards accounting for emissions along the entire value chain. Our members see this as a clear investment signal for sustainable fuels such as eFuels. That signal now needs to be translated into workable regulation,” Diemer explains.

Specifically, the eFuel Alliance calls for the following adjustments to the fuel credits flexibility mechanism:

- removal of the 3% cap on fuel credits;
- immediate applicability of fuel credits;
- eligibility of all fuels recognised under the Renewable Energy Directive for fuel credits.

The Alliance bases its position on current projections for renewable fuel volumes in the EU transport sector. According to a report by the [Working Group on Monitoring Methodologies](#), production potential by 2050 is estimated at between 238.8 and 386 million tonnes of oil equivalent. By contrast, projected demand in the EU transport sector ranges between 80 and 170 million tonnes.

This suggests that the potential supply of renewable fuels exceeds the expected demand from road transport. As a result, competition for limited fuel volumes with aviation and maritime transport would not arise. It is now up to the Council and the European Parliament, in particular, to introduce pragmatic adjustments to the CO₂ standards.

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>>>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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