POSITION PAPER *26 November 2020*

UPEI Feedback
Inception Impact Assessment – Amendment of the Regulation setting CO2 emission standards for cars and vans

UPEI, the voice of Europe's Independent Fuel Suppliers, welcomes the opportunity the provide initial feedback to the roadmap on the Regulation setting CO2 emission standards for cars and vans. More should be done to unlock investments and trigger behavioural changes in order to achieve CO2 emission reduction in road transport, in line with Europe's 2030 and 2050 climate targets. In this context, we would like to draw the European Commission attention to the following issues:

1. While current standards focus on new vehicles only, any opportunity for a positive spill over on the existing fleet should be maximised. Overall emission reductions from road transport cannot be achieved simply by improving the performance of new vehicles. The vast majority of the 313 million vehicles already on EU roads run on petrol and diesel. According to ACEA statistics, 97% of new car sales in 2019 were vehicles with Internal Combustion Engines (ICE), which will stay on the road for 11+ years.

2. CO2 standards for passenger cars and vans provide a strong signal for the uptake of low and zero-emission vehicles, but the approach is skewed. Current performance standards focus only on the combustion performance of fuel and rely solely on the tailpipe emissions, thus creating unfair competition between powertrain technologies. Assessing the GHG intensity of fuels on a Well-to-Wheel basis would incentivise the vehicles that can accept carbon-saving alternatives and higher renewable fuel blends while ensuring a level-playing field across all technologies.

3. We regret that the Commission is not considering amending the current definition of zero and low-emission vehicles, current defined as vehicles with tailpipe CO2 emissions between 0 and 50 g/km, to include vehicles powered by low and carbon neutral fuels. Similarly, in the text of the consultation, zero emission vehicles are opposed to conventional vehicles. This wording is not in line with the current overall approach from the European Commission which aims at carbon neutrality. It should be conventional fuels, i.e. gasoline and diesel, to be replaced by low and carbon neutral fuels and energies, to achieve carbon neutrality.

4. We welcome the reference to introducing a new mechanism to take into account the potential contribution of renewable and low-carbon fuel when determining manufacturers compliance with their targets, including the option of voluntary crediting mechanism. With increased climate targets there is added urgency for transport to accelerate its path towards net-zero emissions. To facilitate this acceleration, a broad portfolio of solutions is necessary to support the full spectrum of geographic, economic and vocational market demands. Accelerating the production of renewable and low carbon fuels accompanied by continued development of a range of new vehicles optimised for these fuels, can have a climate-positive impact

AV. DE LA RENAISSANCE 1
B - 1000 BRUSSELS | BELGIUM
T +32 2 740 20 20
F +32 2 740 20 21
INFO@UPEI.ORG
WWW.UPEI.ORG
@FuelSuppliersEU
upei-europeanassociation
Transparency register no. 42843016904-50

today via the existing and future vehicle fleet, for light duty but also heavy-duty vehicles and other applications.

5. It is key to avert mobility poverty and to avoid a two-speed Europe while heading towards a carbon neutral mobility system. Being based on proven technologies and an already structured distribution network, sustainable renewable and low carbon fuels are the most cost-efficient way to contribute to the decarbonization process at the lowest possible cost to society. Besides the cost in relation to emission reduction, it is important to consider the impact on industrial competitiveness, innovation, and employment to ensure a fair transition for all European citizens.

UPEI and its members, representing nearly 2,000 European importers and wholesale/retail distributors of energy for the transport and heating sectors, look forward to constructively working with the EU institutions to make Europe's climate policy a success.

***

Contact: Cécile Nourigat | Secretary General | info@upei.org | +32 2 740 2020 | www.upei.org

UPEI represents nearly 2,000 European importers and wholesale/retail distributors of energy for the transport and heating sectors, supplying Europe's customers independently of the major energy producers. They are the interface between producers and consumers, using their own infrastructure and flexibility to supply existing demand for conventional and renewable liquid fuels, as well as non-liquid alternatives as part of the energy transition. They cover more than a third of Europe's current demand. The organisation brings together national associations and suppliers across Europe.

Independent fuel suppliers bring competition to Europe's energy market and are able to respond rapidly to changes affecting supply, contributing to security on a local, national and regional level. They have developed and maintain a comprehensive infrastructure for the sourcing, storage and distribution of transport and heating fuels, with a commitment to delivering a high-quality service to all consumers, including those in remote areas.

Since 1962 UPEI has been advocating for a level playing field and fair competition to ensure an affordable, sustainable, and secure energy supply for Europe's consumers. Today, in the context of the transition to a low carbon economy, UPEI and its members are also addressing the challenges of adapting the product range and meeting consumer demand through market-oriented solutions.

With its strong track record in pioneering the supply of renewable fuels in the EU, UPEI's members remain committed to delivering and embracing new, cost effective solutions which further promote energy efficiency and reduce pollutants and emissions.