

PRESS RELEASE ON JOINT DECLARATION



European
Automobile
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Association

Getting to the Green Deal: Don't rule out alternative fuels with a track record of success

Vehicle manufacturers and fuel coalition call for consistency in defining alternative fuels that will drive the energy transition

BRUSSELS, 14 January 2020 – The EU's long-term energy transition goals depend not just on developing new technologies but also on alternative-fuel solutions that already reduce harmful emissions. As the EU reframes important environment and energy legislation under the European Green Deal, it should not abandon clean, proven and cost-effective solutions such as sustainable renewable fuels and LPG.

That's the message from a broad coalition of vehicle manufacturers and alternative-fuel producers and suppliers who, in a new joint declaration, call on the European Commission to take a technology-neutral approach in its upcoming review of the Alternative Fuels Infrastructure Directive. The coalition includes ACEA (the European Automobile Manufacturers' Association), Liquid Gas Europe, ePURE (the European renewable ethanol association), EBB (the European Biodiesel Board) and UPEI (representing European independent fuel suppliers).

"It is imperative that all alternative fuels play a role in the energy transition," the coalition said today. "While it is important to set long-term objectives, Europe should not dismiss solutions that are already available, cost-effective, commercially viable and that positively contribute to the energy transition."

The group urges the Commission to maintain its current definition of alternative fuels in the upcoming review of the Alternative Fuels Infrastructure Directive, guaranteeing consistent policymaking and a stable investment environment. The Directive is intended to build the market for alternative fuels, such as Autogas (LPG as transport fuel) and sustainable renewable fuels (such as ethanol, biodiesel and biogas), which have already reached a certain degree of maturity, and to jump-start a market for newcomers, such as electromobility and hydrogen.

Currently, alternative-fuelled vehicles represent a small but growing percentage of the EU fleet. Meanwhile road transport GHG emissions continue to rise, and many countries are in breach of air quality standards. That means the EU will need to do a better job of mobilising solutions that work today in addition to supporting the market development for new technologies and related infrastructure.

Given the urgency of the climate and air quality crisis, the EU needs to take a practical approach. This includes promoting cleaner-burning fuels that are already commercially viable and competitively priced, that deliver immediate benefits, and that do not require drastic and costly changes to infrastructure or powertrain technologies.

Read the full declaration below.



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JOINT DECLARATION FOR LEGAL CONSISTENCY OF THE EU ALTERNATIVE FUELS DEFINITION

Despite gains in fuel efficiency, demand for personal mobility and freight transport and thus CO₂ emissions from road transport are on the rise. Further, air pollution continues to be a major public health concern, with several Member States in breach of certain air quality concentration targets. In light of the ambitions set out in the Paris Agreement and European Green Deal, it is **imperative that all alternative fuels play a role in the energy transition.**

The Alternative Fuels Infrastructure Directive is intended to develop the market for alternative fuels covered in that Directive, such as LPG (also referred to as Autogas) and biofuels, which have already reached a certain degree of maturity, and to jump-start a market for newcomers, such as electromobility and hydrogen.

However, alternative-fuelled cars represented only 7.3% of new car registrations¹ and 3.8% of the vehicles in use² in 2018 and the share for heavy-duty vehicles is even lower. Achieving a truly sustainable, low-carbon road-transport system will require all available solutions; **a technology-neutral approach is critical.**

While it is important to set long-term objectives, Europe should not dismiss solutions that are already available, cost-effective, and that positively contribute to the energy transition. We therefore urge the European Commission to **maintain its current definition of alternative fuels in the upcoming review of the Alternative Fuels Infrastructure Directive**, guaranteeing consistent policymaking and a stable environment for investment, as stressed in the European Parliament's own-initiative report on the deployment of infrastructure for alternative fuels in the European Union³.

Affordable, cost-effective and commercially viable:

- Customers, consumers and transport operators will only adopt low and zero-emission options if the technology is affordable, convenient and commercially viable. The above-mentioned alternative fuels represent clean, proven and cost-effective solutions for improved ICE technologies that can complement electromobility.
- In order to quickly reduce emissions of air pollutants and greenhouse gases (GHGs) in road transport, a practical approach is to encourage energy efficiency and the switch to cleaner-burning fuels that are already commercially viable and competitively priced.

¹ https://www.acea.be/uploads/publications/ACEA_progress_report_2019.pdf

² <https://www.acea.be/publications/article/report-vehicles-in-use-europe-2019>

³ Report on deployment of infrastructure for alternative fuels in the European Union: time to act! (2018/2020(INI))

- LPG and sustainable renewable fuels, in gaseous or liquid form, are already competitive on the EU market, thanks to supportive policies. For example, one litre of LPG is on average 58% cheaper than petrol and 54% cheaper than diesel in Europe⁴.
- Sustainable renewable fuels such as biofuels offer immediate climate and air quality benefits and do not require drastic and costly changes to infrastructures or powertrain technologies.
- The lack of progress in EU's transport decarbonisation requires immediate action. Promoting solutions that will become affordable and fit for mass-market only in the long-term would mean giving up on important short and medium-term benefits and would undermine the growing interest of consumers and transport operators for multiple low-carbon alternatives⁵. If a sufficient range of affordable alternative solutions are not consistently supported across the EU, motorists and transport operators are likely to keep their older, less fuel-efficient and potentially more polluting vehicles.

Clean and proven technologies:

- Sustainable renewable fuels have significant environmental benefits in terms of reduced GHG and pollutant emissions, greater energy independence and a positive impact on domestic agriculture. In 2017, biofuels represented the main contributors to the renewable energy share⁶ and fuel supply related GHG emissions reduction in transport sector⁷.
- For passenger cars, LPG has significant environmental advantages. Compared to petrol vehicles, LPG vehicles can emit up to 20% less CO₂ and 90% less PN. Compared to diesel, they can emit up to 98% less NO_x and 81% less PM under real driving emissions⁸.
- European fuel ethanol emits on average 71% less GHG emissions⁹ than fossil petrol. It can be blended up to 10% in petrol (E10) and is compatible for use in all new cars produced for many years now. There is no reason why E10 cannot be more widely distributed throughout the EU.
- The use of biodiesel in passenger cars, as well as in commercial applications, such as long-haul trucking or buses and coaches, can result in significant reduction of GHG emissions (50% to 90% less than conventional diesel)¹⁰.
- LPG is the most widely used alternative fuel for passenger cars in Europe, counting 8 million vehicles (2.3%¹¹ of existing fleet) serviced by over 31,000 refuelling stations¹². In the longer term, LPG is well positioned to continue delivering benefits in light of the EU 2050 decarbonisation agenda as BioLPG is now being distributed in growing quantities on the European market. This novel product can reduce CO₂ emissions by up to 90%, compared to conventional LPG¹³.

⁴ <https://ec.europa.eu/energy/en/data-analysis/weekly-oil-bulletin>

⁵ <https://www.ukpia.com/media/2274/fuelseurope-consumer-survey-uk-results.pdf>

⁶ <https://ec.europa.eu/eurostat/web/energy/data/shares>

⁷ <https://www.eea.europa.eu/publications/quality-and-greenhouse-gas-intensities-1>

⁸ The University of Saarbrücken in Germany and the engineering consultancy V-Motech in France, 2017

⁹ Average GHG emission savings of fuel ethanol produced by ePURE members in 2018, based on the methodology in Annex V of the Renewable Energy Directive <https://www.epure.org/media/1920/190828-def-data-statistics-2018-infographic.pdf>

¹⁰ GHG emissions values from Annex V of the EU Renewable Energy Directive, as calculated by the European Commission's Joint Research Centre

¹¹ https://www.acea.be/uploads/publications/ACEA_progress_report_2019.pdf

¹² *European LPG Sector Overview*, Argus Media and Liquid Gas Europe, 2019

¹³ *A survey of markets, feedstocks, process technologies, projects and environmental impact*, Atlantic Consulting, 2018

Complementary solutions:

- Alternative fuels will have an important role in displacing existing demand for fossil fuels and reducing GHG and pollutants emissions until zero-tailpipe emission vehicles can be deployed at scale¹⁴.
- In its landmark report of the effects of global warming, the Intergovernmental Panel on Climate Change (IPCC) indicated that limiting global temperature increase should involve a mixture of electricity and biofuels in the transportation sector. All alternative fuels will remain important. In addition, the hybridisation of LPG vehicles allows to combine the benefits of electricity together with a longer range provided by a cleaner fuel.
- In the UPEI 2050 vision¹⁵, research also shows that a combination of different technologies can maximise emission cuts at a lower cost and with the best use of our resources.
- Further, in the recently published Autogas (LPG) Vision,¹⁶ TM Leuven assessed the results of a scenario assuming a high Autogas and EV uptake from 2020-2050, which showed that LPG savings do not come at the expense of electromobility but complement it. The Vision concludes that the environmental and societal benefits of a projected growth scenario for LPG equal 18.7 billion euros to 2050.

To ensure that the market for all alternative fuels in Europe flourishes and to maximise their environmental contribution, we urge European decision makers to look both at short and medium-long term. Supply and demand-side measures should go hand-in-hand to allow for the sufficient development of refuelling infrastructure in line with consumer demand, and enhancing an environmental, economical and socially acceptable transition.

Renouncing technology neutrality in the policies for alternative fuels would put at risk ongoing and future investments made by the automotive, energy production and fuel distribution sectors.

For these reasons, the signatories to this declaration urge continued support for all alternative fuels in transport is fundamental, as it will more quickly put Europe on track for reaching its climate and air quality goals.

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About ACEA

The European Automobile Manufacturers' Association (ACEA) represents the 16 major Europe-based car, van, truck and bus manufacturers: BMW Group, CNH Industrial, DAF Trucks, Daimler, Ferrari, Fiat Chrysler Automobiles, Ford of Europe, Honda Motor Europe, Hyundai Motor Europe, Jaguar Land Rover, PSA Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group. More information can be found on www.acea.be or www.twitter.com/ACEA_eu.

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¹⁴ <https://www.ipcc.ch/sr15/chapter/spm/>

¹⁵ <https://www.upei.org/upei-2050-vision>

¹⁶ <https://www.liquidgaseurope.eu/campaigns/131-vision-for-autogas>

About UPEI

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 petroleum producers.

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About Liquid Gas Europe

Liquid Gas Europe, the European LPG Association, is composed of national LPG associations; the main European LPG suppliers; LPG distributors and equipment manufacturers. With the support of its working groups of industry experts, Liquid Gas Europe is actively involved in concrete initiatives and programs to ensure the sustainable, safe and efficient development of LPG in Europe.

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About ePURE

ePURE represents the interests of European renewable ethanol producers to the EU institutions, industry stakeholders, the media, academia and the general public. Based in Brussels, ePURE speaks for 35 member companies and associations (including 19 producers), with around 50 plants in 16 EU Member States, accounting for about 73% of the EU's installed production capacity. The organisation, established in 2010, promotes the beneficial uses of ethanol throughout Europe.

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About EBB

The European Biodiesel Board (EBB) is a non-profit organisation established in January 1997. The EBB gathers nearly 60 members across 21 Member-States, which represents 75% of the European biodiesel output. The EBB promotes the use of biodiesel in the European Union and is committed to fulfil International standards for sustainability in GHG emissions and sustainable feedstock.

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