Revision of CO2 Emission Performance Standards for new cars and vans

Joint UPEI-FETSA Statement

General remarks

UPEI, the voice of Europe's independent fuel suppliers, and FETSA, the Federation of European Tank Storage Associations, fully support the decarbonisation goals of the Commission's Proposal for CO2 emission standards for cars and vans.

While the Environment Committee adopted its draft Report on 11 May 2022, we believe that the Plenary vote of 6-9 June will offer the opportunity to address some shortcomings of the adopted position.

Road transport can significantly contribute to the EU's goal of climate neutrality by 2050. However, to unlock this potential, **all technological options need to be considered for the reduction of CO2 emissions.**

In particular, revised rules should include the recognition of all low-carbon liquid fuels, alongside electrification, to reach the sector's decarbonisation. A technology-neutral approach is essential to ensure that regulatory targets are not set in isolation from the industrial and social dimensions on which they will ultimately impact.

Joint recommendations ahead of the Plenary vote

- A **voluntary crediting system for renewable fuels** can effectively complement the electrification pathway and respect the diversity of consumers' needs.
- The crediting system is also **a first step towards a more holistic lifecycle approach**. The Proposal's current "tank-to-wheel" approach fails to set the right incentives to reduce CO2 emissions rapidly and comprehensively. Instead, the carbon footprint of a vehicle should be assessed over its entire life cycle (LCA), reflecting its actual impact on the climate.
- Electrification is not a one-size-fits-all solution for all use cases. Rather than banning vehicles with an internal combustion engine, the Proposal should focus on providing consumers with a mix of climate-friendly options, alongside e-mobility. **In this regard, a target lower than 100% would avoid such a ban.**

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 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.

About FETSA

Members of FETSA are businesses engaged in bulk storage and energy infrastructure across Europe. Bulk liquid and liquified gas terminals are present in ports, airports, logistics platforms and along rivers, canals and pipelines. In total FETSA represents 141 companies operating 743 terminals across Europe.

These tank storage terminals provide an essential interface between sea, road, rail, inland waterways and pipeline logistics. They are critical links in the supply chain for energy carriers, chemicals, animal feeds and fats, oils and other substances, helping to balance out supply and demand and ensure companies and consumers have access to these products.

Many tank storage terminals are designated as Critical National Infrastructure by the EU and national governments due to their importance in providing energy to society. The storage capacity represented by FETSA also includes strategic reserves held for emergencies (such as NATO stocks and IEA mandated reserves) and supply disruptions.