

STATEMENT

Brussels, 1 June 2018

Post 2020 CO₂ Targets for Cars and Vans

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UPEI recognises the importance of all measures that can contribute to meeting the EU commitments under the Paris Agreement, including the need for stringent targets to cut CO₂ emissions of new passenger cars and light commercial vehicles. The setting of these targets should be coherent with other EU legislation promoting alternative fuels and should be based on an objective analysis of the economic and environmental sustainability of all technologies as well as their potential for future innovation.

The further reduction of CO₂ emissions of vehicles is a necessity in the interest of climate change mitigation which is a global priority. Alongside this goal, solutions are also needed to reduce pollutant emissions to improve air quality at local level. A regulatory framework that encourages innovation in both respects is needed, but also one that recognises the wide range of technologies offering solutions today, in response to various criteria reflecting consumers' concerns, such as geographical location and mobility needs (urban versus rural), affordability and fuel economy, environmental sustainability, etc.. In order to address all these variants, legislation must encourage *all* technologies to contribute to the achievement of the agreed goals.

In addition, the promotion of cleaner technologies must be carried out in coherence with other legislation mitigating the environmental impact of transport. The calculation of emissions under the current proposal does not reflect the targets established under the RED II for advanced renewable energy. This must be addressed through a correction factor. Similarly, if investments are to materialise for the deployment of infrastructure for the broadest possible use of alternative fuels under Directive 2014/94, a coherent vision taking account of both alternative fuels and the definition of zero and low emission technologies is required.

As well as setting coherent and achievable targets for the future, UPEI looks to legislators to provide appropriate signals to the market to encourage well-designed systems for the renewal of the existing car fleet that would significantly reduce emissions. Increased vehicle efficiency combined with sustainable, renewable liquid fuels is already achieving significant emission reductions and further improvements are expected. If this is not recognised in the new regulation, it will undermine the motivation for consumers to replace old vehicles with more performant ones available today, delaying a huge opportunity to reduce emissions.

Similarly, the new legislation needs to provide a positive outlook for the further improvement of liquid fuels, which will remain an important part of the transport energy mix in the long term. They will be partly needed to fuel the existing car pool, but also because of their benefits in terms of readily available infrastructure and ease of energy storage and distribution. However, in order to incentivise investment into cleaner, carbon neutral liquid fuels, such as

XtL (power/gas/biomass/... to liquid), an objective perspective for ICE engine technologies must be included in the legislation.

These aspects must be reflected in factual communications to the consumer in order to provide clear evidence of the performance of the different technologies according to the criteria that are key for consumer decision making.

In this context, electro-mobility has a significant role to play, in particular for urban mobility where pollutant emissions remain a key public concern. However, when considering a broader rollout of this technology, there must be transparency on the cost of roll out of charging infrastructure, the impact on the electricity grid, the direct correlation between individual EU countries' electricity mix and GHG emission reduction potential. The economic viability and environmental sustainability of electro-mobility may vary significantly from Member State to Member State and therefore the legislation on CO₂ emissions for cars and vans must offer a range of technologies that can contribute to emission reduction taking account of these significant variations and based on a well to wheel analysis.

Indeed, technological developments should be stimulated that have the potential for global market uptake. This will not only ensure that the EU remains ahead in terms of innovation and leadership, but also to drive the concerted action that is needed to reduce CO₂ emissions, taking account of the expected growth in the transport sector as economies in the different regions grow.

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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.