

Ms Ursula von der Leyen, President of the European Commission

Mr Frans Timmermans, Executive Vice-President and Commissioner of the European Commission – Climate Action

Ms Kadri Simson, Commissioner of the European Commission - Energy

Mr Thierry Breton, Commissioner of the European Commission – Internal Market

Ms Adina Vălean, Commissioner of the European Commission – Transport

Mr Mauro Petriccione, Director General of the European Commission – Climate Action

Ms Ditte Juul- Jørgensen, Director General of the European Commission – Energy

Ms Kerstin Jorna, Director General of the European Commission – Internal Market

Mr Henrik Hololei, Director General of the European Commission – Mobility and Transport

Brussels, 18th May 2021

Subject: Renewable sustainable Fuels in Road Transport should be Recognised and Rewarded as an Essential Component of the Decarbonisation Strategy

Dear President von der Leyen,
Dear Executive Vice-President Timmermans,
Dear Commissioner Simson,
Dear Commissioner Breton,
Dear Commissioner Vălean,
Dear Director General Petriccione,
Dear Director General Juul- Jørgensen,
Dear Director General Jorna,
Dear Director General Hololei,

We, the signatories of this letter, represent many stakeholders in the value chain for renewable and sustainable fuels, including investors, users, technology providers and feedstock suppliers, and wish to address misleading claims made recently against these fuels.

We all understand that electrification will become a dominant technology for light-duty vehicles, and we support strong policy measures to encourage their uptake. But electrified vehicles should not gain a technology monopoly achieved through an abrupt ICE phase-out. We believe that such a policy decision, whether at EU or national level, is both unnecessary and unwise.

Indeed, the decarbonisation of transport is fundamentally about the decarbonisation of the energy, and an ICE fuelled with renewable sustainable fuels has a carbon footprint comparable to that of an electric vehicle; furthermore, it has the potential, like an EV, to become climate neutral, or net-zero CO2 emission.

The significant scale-up of these fuels is possible based on proven technologies and well-evidenced availability of sustainable feedstock. Sustainable biomass from a wide range of agricultural and forestry sources, domestic and industrial wastes, and synthetic fuels can collectively harness the global potential of renewable energy, as they can be transported from remote regions using existing infrastructure. European companies are leading technology providers of these solutions. This would create many jobs across Europe aggregating and preparing the diverse sources of these feedstock. Building and operating the processing plants would create even more jobs.

The Commission's vehicle CO2 policy is based on a methodology that is inconsistent with other CO2 methodologies, such as the ETS, where biomass combustion is rated as zero emission. It is also inconsistent with a net-zero target for the EU. The lack of recognition of biogenic or captured CO2 in combustion of vehicles renders vehicle CO2 policies simply not technology neutral. By introducing a voluntary crediting mechanism for renewable and sustainable fuels into vehicle CO2 policies, we could effectively establish technology neutrality in policy.

Moreover, a policy that only promotes electrification through new vehicle regulation and fleet turnover has other critical gaps. It is likely to result, for instance, in a significant share of European citizens being socially left behind during the transition by making low carbon mobility out of their reach. Indeed, millions of EU citizens and businesses, especially in many Central, Eastern and Southern European countries with typically older vehicle fleets, rely for family, work or small business transport on older, inexpensive and often second-hand vehicles. These vehicles, which may be purchased at a fraction of the cost of an EV, are vital for these European citizens.

A more inclusive approach to policies for fuels, starting with accurate recognition of their contribution in vehicles, and also enabling customer level benefits and incentives, can bring additional CO2 savings beyond what an EV monopoly approach will deliver. Adding the option for new vehicles to achieve CO2 compliance via renewable sustainable fuels will also safeguard jobs in the automotive value chain, making the transition through massive re- and upskilling more manageable. Global industrial strategies and investment plans show that the internal combustion engine has a bright future in most of the other regions (Africa, Middle-East, South America and Asia). Whereas the EU is the leader in ICE technology, this leadership, coupled with the deployment of renewable sustainable fuels, is likely to move to other regions, in particular China that will grasp the opportunity to gain significant market shares at the expense of the European car industry.

Whilst being at a minimum a strategy for the existing and remaining fleet, a renewables strategy for road transport is a strategy to grow the sector for the benefit of both the aviation and maritime sectors. Just like the early years of wind and solar Photovoltaic renewable power, investments are characterised by higher capital costs. Road transport, with its relatively low energy intensity, lack of carbon leakage risk, and many fiscal and policy tools is uniquely able to support a more rapid scale-up of renewable sustainable fuel production. Aviation and Maritime are unlikely to achieve such a rapid scale-up alone, and the transferability of fuels across sectors means a transitional role for road transport is a no-regret strategy, which could potentially lead to greater volume being available later for international aviation and maritime.

Europe's climate ambition also needs a strong strategy for renewable sustainable fuels. Within that, the inclusion of road transport may be transitional, but it is certainly additional and strategic in nature. This strategy needs to start with a revision of vehicle CO2 policies to reflect the correct science of net CO2 emissions using biogenic and captured carbon-based fuels.

We stand ready to scale up the production of renewable sustainable fuels, through investments and job creation. However, the current technology fixation with full, rapid, and exclusive electrification risks discouraging such developments.

We request the Commission to work with us to create an integrated strategy for renewable sustainable fuels. All signatories have robust policy suggestions to make, and a first critical step of this should be for the Commission to take the opportunity of the current review of 2030 targets to also review and rectify the incompatible nature of the current vehicle CO2 methodology with respect to the net-zero 2050 objectives. Such a correction can open many opportunities, for additional CO2 savings, for jobs, for investments, and for a way for many more vehicle users to participate using renewable energies, in gaseous or liquid form.

We thank you for your consideration.

Dirk Bosteels
Executive Director



Sigrid de Vries
Secretary General



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