

FUELLING EUROPE

The Voice of the European Fuel Distributors

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EUROPEAN COMMISSION ANNOUNCED ITS EU STRATEGY FOR SMART AND SUSTAINABLE MOBILITY

On 9 December 2020, the European Commission published its new [Strategy for Smart and Sustainable Mobility](#) and related [action plan](#). It sets a roadmap for achieving the green and digital transformation of European transport. While the document acknowledges the importance of mobility and transport, it also highlights the greatest challenges still faced by the sector. Reducing emissions, phasing out fossil fuels and promoting renewable alternatives are therefore among the main priorities to make mobility more sustainable. Centred around 3 pillars – smart, sustainable and resilient mobility, the document identifies 10 flagship areas, including boosting the uptake of zero-emission vehicles, renewable & low-carbon fuels and related infrastructure; pricing carbon and providing better incentives for users; and making urban and interurban mobility more healthy. Key milestones will also guide the Commission's work in the years to come.

To achieve the objectives set in the Strategy, the Commission will review key EU legislation, including on the mandatory deployment of alternative fuels recharging and refuelling infrastructure, CO2 emissions limit levels for new cars, and on boosting

renewable energy. In addition to these initiatives, the EU Emissions Trading Scheme (ETS), establishing the EU carbon market, will be extended to the maritime transport sector, and a possible expansion to emissions from road transport is already under assessment. The Commission is also determined to stop fossil-fuel subsidies, mainly through the revision of the Energy Taxation Directive (ETD), which will look closely at current tax exemptions for aviation and maritime fuels. A proposal for a revised ETD will be put forward in 2021, aimed at better aligning the taxation of energy content for various fuels, and further incentivise the uptake of renewable and low-carbon transport fuels. According to the Strategy, consumers will also play a key role in this transition, by receiving better information to make the most sustainable transport choice. Measures will be also adopted to improve workers conditions across the different modes of transport.

To achieve these objectives and reduce the current dependence on fossil fuels the Strategy set the following milestones:

- By 2030, there will be at least 30 million zero-emission cars

and 80.000 zero-emission lorries in operation;

- By 2050, nearly all cars, vans, buses as well as new heavy-duty vehicles will be zero-emission;
- Zero-emission ocean-going vessels and large zero-emission aircraft will become market ready by 2030 and 2035, respectively.

The Strategy received numerous reactions from EU institutions

EU FUEL QUALITY REPORT 2018

The European Commission published its [2018 Fuel Quality Report](#), complemented by a [fuel quality data report](#) prepared by the European Environmental Agency. These reports are required under the Fuel Quality Directive, which aims to reduce transport fuels emission intensity by at least 6% by 2020 (compared to 2010), and applies to fuels sold in the EU. It also sets strict quality requirements for road transport fuels used in the EU to protect human health and the environment, and make road travel safer across the EU.

According to the report, the average greenhouse gas (GHG) gas intensity of fuels had fallen by 3.7% in 2018, compared to the 2010 baseline, mostly due to the increased use of biofuels. However, the progress achieved compared to [2017](#) was limited to a 0.3%

and stakeholders. The debate is expected to continue in the upcoming months, when legislative proposals are presented, and political negotiations begin. ECFD has actively contributed to this debate, providing its views to the public consultation preceding the publication of the Strategy for Smart and Sustainable Mobility, and will continue to be involved in the ongoing consultation process concerning key EU legislation.

decrease. Only Sweden and Finland have already exceeded the 6% reduction target for 2020, while Cyprus and Estonia scored the lowest reduction percentages.

The report also looked at the type of fuels mainly supplied in the EU in 2019. It found that fossil fuels still represented the vast majority of the total fuel supply, with diesel dominating in most EU countries, whereas biofuels accounted for 5.2% of total 2018 fuel supply.

The report shows that, overall, the level of quality fuel compliance is high. However, almost all countries need to take swift action to reduce GHG intensity of transport fuels.



EU FUEL QUALITY REPORT 2018

INDUSTRY CALLS FOR INCLUSION OF SUSTAINABLE RE-NEWABLE FUELS IN THE EU MOBILITY LEGISLATION

Ahead of the publication of the Strategy for Smart and Sustainable Mobility, a group of 18 associations representing the European automotive, fuel and energy industry, sent a [letter](#) to the European Commission, calling for a stronger focus on 'sustainable renewable fuels'. Among other points, the group recommends encouraging the uptake of sustainably sourced renewable fuels. It stresses that a broad range of low-carbon fuel options – including existing sustainable renewable liquid and gaseous fuel solutions – can reduce greenhouse gases. The letter also asked for the contribution from sustainable renewable fuels to be taken into account in the next revision of the Regulation setting CO2 emissions limit levels for new cars and Vans, planned for June 2021. Recalling the importance of a fair transition for all EU citizens, the letter highlights that sustainable renewable fuels can be used on proven engine technologies and benefit from already structured distribution network. They therefore represent a cost-efficient way to decarbonise road transport, and at the lowest possible cost to society. ECFD supports these messages, and will join future initiatives on similar topics.

NGO STUDY INVESTIGATES HOW TO DECARBONISE EU TRANSPORT BY 2050

A recent [study](#) commissioned by the NGO Transport and Environment (T&E) investigated on the possibility to decarbonise the EU's transport sector by 2050. Results show that powering just a small amount of cars, vans and small trucks with hydrogen

or e-diesel would require 41% more renewables in 2050 than if they were electric vehicles running on batteries. Similarly, if half of heavy-duty trucks were run on hydrogen and half on e-diesel, these would consume 151% more renewables in 2050 than if they were directly electrified. In fact, batteries are considered a key resource to achieve decarbonization of road transport, and the report recommend to use them to decarbonise road transport. On the contrary, the study recommends deploying e-fuel for ships and planes, most of which cannot use batteries. In light with these findings, T&E [called](#) on the EU to set CO2 standards that require ships to operate more efficiently and use clean technology including ammonia and hydrogen. It will also be necessary to mandate aviation fuel suppliers to deliver zero-emission fuels to airlines.

EU REPORT ON PROGRESS TOWARDS EU'S CLIMATE AND ENERGY TARGETS IN 2020

The European Environment Agency (EEA) published a [report](#) tracking the 2020 trends and projections in Europe towards EU climate and energy targets. According to the EEA, in 2019 GHG emissions in the EU-27 decreased by almost 4%, making the EU on track to reduce GHG emissions and boost renewable energy. These progressed were enabled by increasing shares of electricity, heating and cooling provided by renewables. However, uncertainties remain with regard to the energy consumption reduction target, for which insufficient progress has been made by Member States. In 2019, only nine countries (Finland, Greece, Italy, Latvia, the Netherlands, Portugal, Romania, Slovenia and Spain) were on track towards their respective 2020 objective. Overall, the report



concludes that in spite of positive improvements, further effort will be necessary to achieve the emission reduction targets in the EU.

EU COMMISSION DEFINES CRITERIA TO CONSIDER INVESTMENTS IN RENEWABLES A GREEN ACTIVITY

In the context of the EU's work on [sustainable finance](#) in Europe, the European Commission published a [draft proposal](#) for a so-called 'taxonomy regulation,' listing economic activities that can be considered as 'sustainable.' The aim is to guide investors towards sustainable investments which can contribute to climate change [mitigation](#) and [adaptation](#). Among others, the list includes criteria to define the sustainability of low carbon technologies; electricity generation from gaseous and liquid fuels; manufacture of biofuels; production of heat/cool from gaseous and liquid fuels. The draft proposal is currently under stakeholder consultation, and needs to be approved by the European Parliament and Council before entering into force. Additional proposals to achieve other sustainability objectives will be put forward over the course of 2021.

UPCOMING EU STUDY ON ENERGY EFFICIENT HEATING AND COOLING

The European Commission's department in charge of energy policies (DG ENER) will carry out a [study](#) in 2021 on 'Pathways for Energy Efficient Heating and Cooling.' It is linked to the Energy Efficiency Directive, which requires the deployment of more efficient heating and cooling technologies. The study will provide a comparison of available technologies, energy sources and carriers potentially used for heating and cooling, as well as their combination in terms of energy efficiency, effect on CO2 emissions reduction and associated costs. Technologies assessed will include liquid fuel boilers, coal fired boilers, gas-fired boilers, biomass boilers, combined solid fuel boilers, solar thermal, solar PV, geothermal installations, heat pumps, electric heating and hydrogen boilers. The study results will support the European Commission's work on the implementation of the EU Strategy on Energy System Integration, aimed at facilitating the transition towards green energy systems, through their coordinated planning and operation 'as a whole,' across multiple energy carriers, infrastructures, and consumption sector (e.g. transport, industry, buildings).

ECFD ACTIVITIES

5 February 2021: Deadline to reply to the *public consultation* on updating of the EU Emission Trading System (ETS)

5 February 2021: Deadline to reply to the *public consultation* on the revision of the EU standards for CO2 emissions for cars and vans

9 February 2021: Deadline to reply to the *public consultation* on the evaluation and review of the EU energy efficiency directive (EED)

9 February 2021: Deadline to reply to the *public consultation* on the review of the Renewable Energy Directive (RED II)

2021 CALENDAR – EU UPCOMING PROPOSALS

Q2 2021

- Revised Energy Taxation Directive
- Revised Directive on Deployment of Alternative Fuels Infrastructure
- Revised EU Emissions Trading System (ETS)
- Revised Renewable Energy Directive
- Revised Energy Efficiency Directive
- Reducing methane emissions in the energy sector initiative
- Revised Regulation setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles

Q4 2021

- Revised Energy Performance of Buildings Directive

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