

## Post-2020 CO<sub>2</sub> targets for light duty vehicles ePURE position for trilogue negotiations

Sustainable low-carbon liquid fuels like renewable ethanol are essential to achieving the emissions-reduction goals of the EU's Clean Mobility Package. They represent an immediate, cost-effective solution to decarbonising transport with existing infrastructure and internal combustion engines that will still be prevalent on the road in the coming decades, even when considering the most ambitious scenarios for the uptake of electric vehicles.

Trilogue negotiators have a unique opportunity to adopt a realistic approach to clean mobility by:

- Moving progressively towards a full lifecycle analysis approach to counting emissions;
- Incentivising sustainable low-carbon renewable fuels.

### 1. Towards a lifecycle approach

- By focusing solely on tail-pipe emissions and failing to distinguish between fossil and biogenic CO<sub>2</sub>, the proposed Regulation:
  - totally ignores the environmental footprint of the fuels and the vehicles;
  - overlooks the environmental benefits of certain alternative fuels such as locally produced renewable ethanol;
  - fails to fully incentivise the use of better fuels; and
  - creates a dependency on one technology at the expense of the diversification to other effective available solutions.
- By requiring the European Commission to establish a lifecycle emissions reporting methodology for fuels and vehicles from 2025 onwards, AMs 40 and 23 of the European Parliament<sup>i</sup> represent a step in the right direction to better account the environmental impact of different vehicle technologies and their energy sources.

### 2. Incentivising sustainable low-carbon renewable fuels

#### 2.1. Consider the contribution of all sustainable renewable fuels

- Recognising the contribution of alternative fuels to reduce emissions as part as the 2023 review of the effectiveness of the Regulation foreseen in Art. 14.1 is a welcome development proposed by the European Parliament and Council.
- However, there is no objective reason to limit the scope of alternative fuels to '*synthetic and advanced alternative fuels*' as proposed by the Council, or to '*advanced low-carbon fuels, including biogas and synthetic fuels produced with renewable energy*', as proposed by the Parliament.
- Instead, the review should consider the potential contribution of all renewable fuels meeting the sustainability criteria of the recently adopted Renewable Energy Directive II<sup>ii</sup>.

#### 2.2. A Carbon Correction Factor to account for existing savings provided by renewable fuels

- The current Tank-to-Wheel approach fails to distinguish between the renewable and fossil origin of the fuels and represents an outdated way of comparing the different vehicle technologies.
- A correction factor should be introduced that would take into consideration the share of renewable fuel in the transport energy of a given Member State that is used by the vehicles<sup>iii</sup>.
- Such an amendment would help to bridge the gap between the different institutions' positions while ensuring that real CO<sub>2</sub> reductions are achieved by the new vehicles registered.

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## **i. Towards a lifecycle approach**

### **Support Amendment 40 of the European Parliament- Article 7 – paragraph 8 a (new)**

8a. From 1 January 2025 onwards manufacturers shall report to the Commission, based on a harmonised Union methodology, the lifecycle CO<sub>2</sub> emissions of all new passenger cars and light commercial vehicles they put on the market as from that date. For that purpose, the Commission shall adopt, no later than 31 December 2022, delegated acts in accordance with Article 16 in order to supplement this Regulation by specifying detailed rules on the procedures for reporting the full lifecycle CO<sub>2</sub> emissions of all fuel types and vehicle powertrains registered on the Union market.

No later than 31 December 2026, the Commission shall submit a report to the European Parliament and the Council with an analysis of the overall life-cycle emissions from new light duty vehicles in the Union, including an analysis of options for possible regulatory measures, in order to better direct future policy efforts in emissions cuts in the sector. That analysis shall be made publicly available.

### **Support Amendment 23 of the European Parliament- Recital 41 a (new)**

(41a) Currently, there is no harmonised way to assess life-cycle emissions from light commercial vehicles. It is appropriate that the Commission provide such analysis by the end of 2026 to present a broad picture of carbon emissions from the light commercial vehicles sector. For that purpose, the Commission should develop, by means of delegated acts, a common Union methodology for the consistent data reporting, as from 2025, by manufacturers of the lifecycle CO<sub>2</sub> emissions of all fuel types and vehicle powertrains they put on the market. Such methodology should also be in line with the relevant ISO standards and account for the global warming potential (GWP) of vehicle's well-to-tank, tank-to-wheel, production and end-of-life emissions. The analysis by the Commission should be based on the data reported by manufacturers as well as any other available relevant data.

## **ii. Consider the contribution of all sustainable renewable fuels**

### **Suggested wording under Article 14.1**

(...) This report shall also consider options to incentivise the uptake of renewable fuels meeting the sustainability criteria of Directive (EU) 2018/... of the European Parliament and of the Council on the promotion of the use of energy from renewable sources. (...)

## **iii. A Carbon Correction Factor to account for existing savings provided by renewable fuels**

### **Suggested wording under Article 7**

9. Renewable (liquid and gaseous) fuels include biogenic fuels as well as synthetic fuels meeting the sustainability criteria of Directive (EU) 2018/... of the European Parliament and of the Council on the promotion of the use of energy from renewable.

By 28 February 2021, and each subsequent calendar year, Member States shall monitor and report to the European Commission the net CO<sub>2</sub> emissions of new light duty vehicles registered in their territory per powertrain (e.g. petrol, diesel, natural gas, hydrogen, electricity), applying a Carbon Correction Factor (CCF) determined by the share of renewable energy used in road transport, and using the following formula:  
$$CO_{2\text{ net, powertrain}} = CO_{2\text{ reported, powertrain}} \times (1 - CCF).$$

By 31 December 2020, the European Commission shall establish by way of delegated act, a methodology to determine the Carbon Correction Factor (CCF) for each type of powertrain.