

# TOWARDS ZERO-EMISSION TRANSPORT

## JOINT INDUSTRY CALL FOR THE RIGHT POLICY FRAMEWORK TO KICK-START THE TRANSITION

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### Building a strong policy framework

Decarbonising road transport is one of the key challenges of the European Green Deal. Moving towards carbon neutral mobility by 2050 will require a strong and concerted set of actions from different industry sectors, policy makers and society.

We, as representatives of the key industries involved in the decarbonisation of road transport, take our role seriously. We are committed to play our part in paving the road to climate neutrality. Indeed, our sectors are already delivering a number of solutions: from zero- and low-carbon power generation and distribution, to smart grid solutions, to zero-emission vehicles. But we need a strong signal from policy makers that we will not steer the drive to decarbonisation alone.

We are therefore calling for **the right conditions for investment in zero-emission and CO2-neutral solutions**. This requires a range of complementary policy instruments, with full coherence between all legislative proposals under the 'Fit for 55' package:

- Rolling-out recharging and refuelling infrastructure through the Alternative Fuels Infrastructure Regulation (AFIR) and the Energy Performance of Buildings Directive (EPBD);
- Supporting the decarbonisation of transport, in particular by incentivising the uptake of renewables through the Renewable Energy Directive (RED III);
- Stimulating demand for zero- and low-carbon solutions through the carbon pricing mechanism in the Emissions Trading System (ETS), as well as the GHG content-based ranking of taxation in the Energy Taxation Directive (ETD).

### Infrastructure is key

If we are to reach the proposed CO2 reduction targets for vehicles by 2030, we need much higher investment in charging and refuelling infrastructure. This is valid not only for passenger cars and vans, but also heavy-duty vehicles, as the infrastructure that is suited to their specific needs is almost completely missing today. The EU will need to put forward higher targets for both public and private infrastructure than those currently foreseen in the AFIR and EPBD proposals, as they are simply insufficient to accommodate the number of electric and hydrogen vehicles coming onto the European market.

Although this will require sizeable investments at the outset, these represent just a fraction of the total investments into comparable infrastructure projects, such as 5G and glass fibre infrastructure.

And over the long-term, a market-based approach for charging and refuelling infrastructure is needed. Just like conventional (fossil fuel) filling stations today, charging and hydrogen refuelling stations should be developed and operated as a commercially-viable business in themselves.

However, the profitability of charging and hydrogen refuelling stations will likely be lower during the ramp-up phase of battery-electric and fuel-cell electric vehicles. This is where **public support, financial incentives, co-funding and mandatory targets are needed to ensure a minimum network becomes rapidly available in all EU member states. Therefore, public intervention is needed now for a limited period to kick-start the transition.**

## Five key policy recommendations

- 1** Member states should **stimulate and support investment in charging points and refuelling stations** for cars, vans and trucks in areas where the market fails to make the necessary investments to build a sufficiently dense infrastructure network.
- 2** **We need stronger ambition and capacity-building expertise from public authorities** in order to facilitate and help de-risk private investments from our industries. Administrative obstacles should also be lifted.
- 3** Moving towards **climate-neutral transport and mobility** only makes sense if the **transition to zero-emission energy** happens in parallel. Incentives should be given to encourage the use of zero-emission energy in the transport sector. Accelerating permitting procedures in order to deploy the needed renewables generation capacity is key. Governments should also facilitate the expansion of renewables and their connection to charging infrastructure.
- 4** The ramp-up of infrastructure must go hand-in-hand with a coherent policy to ensure the **smooth distribution of energy** as well as the **development of smart grids**.
- 5** Additionally, policies need to ensure a **customer-centric charging eco-system** that is affordable and allows for EU-wide roaming, without prejudice to the contractual freedom of this market's operators.

**As part of the Fit for 55 negotiations, we urge the European Parliament and the Council to agree on robust and coordinated policies that really support the decarbonisation of transport, including an ambitious AFIR.**

Cross-industry investments coupled with strong political commitments are required to ensure that Europe can deliver on its climate ambitions.