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Position on the Revision of the Regulation setting CO₂ emission performance standards for cars/vans

The Zürich 5 Coalition (hereinafter ‘the Coalition’) is expressly committed to achieving the objectives of the Paris Agreement and supports the EU’s ambition to become the first climate neutral continent by 2050 through the Fit for 55 Package. The Coalition however believes that **the package does not recognize the benefits of biomethane in decarbonizing EU mobility.**

The proposed revision of the Regulation setting CO₂ emission performance standards for cars/vans (‘CO₂ Standards’) **does not recognize the positive impact of alternative fuels, such as bio-CNG and -LNG, on the decarbonization and GHG emission performance of new cars and vans.** The revision will push car and van manufacturers to fully focus on electric and hydrogen-fueled vehicles. Sustainable mobility should not be measured by the type of drive - battery, electric or biofuels - but by the actual greenhouse gas savings over the entire life cycle. **Only a technology neutral approach, considering all technologies’ costs and benefits, will realize a swift and fair decarbonization of the road transport sector.**

The Coalition therefore strongly urges the EU institutions to increase their efforts to stimulate the uptake of biomethane, as it is a **complementary and scalable¹ solution that can effectively facilitate a sustainable transition:** it can utilize the current rolling fleet² and existing fueling infrastructure. Combined with the practice of recycling of waste, it can make meaningful gains in reducing CO₂ emissions. While full electrification and the further uptake of hydrogen are long-term viable options, they do not provide a concrete solution for the short to medium term: **biomethane can bridge the EU’s decarbonization ambitions with the reality of the EU road transport sector** in both the passenger, light-duty and heavy-duty segments.

¹ The biomethane sector alone will be able to reach 34 bcm of sustainable biomethane by 2030. The biogas and biomethane sectors combined can produce between an estimated 34-42 bcm (equivalent to 370 - 467 TWh) by 2030. Their joint potential for 2050 is estimated at 95 bcm (equivalent to 1,008 - 1,020 TWh). See European Biogas Association, [EBA Annual Report 2020](#).

² Consisting of over 1 billion passenger cars and trucks on the European continent.

What is biomethane?

You can visit our [website](#) for more information

Biomethane is an energy source derived from (agricultural, house(hold) or industrial) waste processed via anaerobic digestion. It has an inherent link to the circular economy (since it is the best way to recycle organic waste, to produce valuable renewable gas and biofertilizers and to turn waste into resources) and has a positive impact on overall GHG emissions reduction. Biomethane is a complementary way to produce sustainable energy equal to wind, solar and hydroelectric power and is used as a transport fuel as replacement for traditional fuels such as natural gas, gasoline or diesel.

Biomethane is converted into bio-CNG by first upgrading the raw biogas by removing CO₂ and other pollutants. This way, the methane-content is increased from ± 60% to 90% (or more, depending on which EU Member State) and has the exact characteristics as natural gas. During the second step, the biomethane is compressed to ± 250 bar (bio-CNG).

For the revision of the CO₂ Standards Regulation, the Coalition proposes the EU institutions to:

1. Take a technology neutral approach in EU policy on transport emission reductions

A mere focus on electrification and hydrogen uptake does not provide a well-balanced solution to the challenges of the road transport sector. It is also likely to make sustainable mobility too expensive for a big group of European citizens. Furthermore, there is great uncertainty on there being enough sustainably generated electricity and green hydrogen by 2035 to fully satiate the road transport market with sustainable alternatives. The production of bio-CNG and bio-LNG is both immensely scalable, as well as affordable for all Europeans.

- **All alternatives to fossil fuels must be considered.** Comparing low(/zero) carbon fuels from **well to wheel** will show that biomethane is one of the most sustainable fuels.³
- This necessitates a change in approach in the CO₂ standards, which essentially phases out the production of cars with Internal Combustion Engines ('ICEs') by 2035.

2. Ensure coherence between the different Fit for 55 proposals

The proposals in the Fit for 55 package on the road transport sector (the RED III, the AFIR and the CO₂ standards for new cars and vans Regulation) are not properly aligned.

- The (slightly) higher **targets for biogas and advanced biofuels as set out in RED III should be reflected in the CO₂ standards framework**, as the latter currently does not foresee a role for biogas-fueled vehicles. Similarly, such a change in the CO₂ standards should also be aligned with **concrete drivers for the rollout of the appropriate infrastructure in the AFIR** to support the uptake of biomethane.
- Finally, the upcoming revision of the Regulation on CO₂ standards for heavy duty vehicles (HDVs) should also recognize the value of biomethane and facilitate the uptake of biomethane-fueled vehicles.

3. Provide a concrete framework for ICEs fueled by biomethane

The CO₂ standards imply an end to the production of cars containing ICEs by 2035. **A ban on the ICE is not the solution** as the ICE itself is not an emitter of GHG, but rather the fossil fuels used to propel them. Additionally, **significant fleet renewal towards EVs and hydrogen-based vehicles**, given the average age of a passenger car (11,5 years) and the size of the rolling fleet in the EU⁴, **is not a feasible short-medium term strategy**. The technologies and capacity for developing bio-CNG and -LNG are already available and compatible with existing infrastructure and are a viable short-term solution.⁵

Therefore, the CO₂ standards for cars and vans **should consider biomethane and the ICE as a short- to medium-term solution** and set up an alternative framework that facilitates the rollout of biomethane-fueled vehicles, for example through allowing manufacturers to produce gas-fueled vehicles using biomethane up to a specific threshold. **Other incentives, such as a (voluntary) carbon crediting mechanism⁶**, or other measures to further stimulate the uptake of advanced biofuels would also be welcomed by the Coalition.

Allowing car manufactures to continue the production of biomethane-fueled vehicles will increase the demand for biomethane, further realizing its potential in decarbonizing the road transport sector⁷, and make maintaining current and building new infrastructure economically viable.

³ Driving on bio-CNG provides CO₂ savings of up to 97% compared to gasoline vehicles. In some cases, when slurry is used as waste to create bio-CNG, using it results in negative CO₂ emissions.

⁴ [Vehicles in use report](#), ACEA (2021): almost 250 million passenger cars, 28 million vans, and 6 million medium and heavy-duty vehicles.

⁵ For example, several Member States already ensure a significant share of biomethane in vehicle-gas such as Denmark (100%), Sweden (94%), the Netherlands (90%), Finland (59%) and Germany (50%).

⁶ [Crediting system for renewable fuels in EU emission standards for road transport](#), Frontier Economics (2020).

⁷ [In the Fast Lane with Biomethane in Transport](#), European Biogas Association and NGVA Europe (2020).