

Dear Minister,

To realize the European climate and emission reduction targets as part of the European Green Deal, big challenges lie ahead for the road transport sector. The Zürich 5 Coalition (“the Coalition”) wants to emphasise that **biomethane plays a crucial role** in achieving these goals as a complement to electrification and a broader sustainable choice for citizens.

The Coalition consists of leading businesses in the bio-CNG and bio-LNG sector across the whole biomethane supply chain. Provided that preconditions such as technology neutrality between different sustainable fuel alternatives are guaranteed, biomethane can play a supporting role to bring existing European energy and climate policy in line with the goal of at least 55% net greenhouse gas reduction by 2030 and climate neutrality by 2050.

In light of the ongoing negotiations on several files as part of the 'Fit for 55' package and the debate you will have during the Environment Council meeting on 28 June, the Coalition would like to direct your attention to the following.

Fit for 55: Technology neutral approach crucial for maximum benefits

Regrettably, the proposed legislation as part of the Fit for 55 package has a very singular approach, merely focusing on a shift to full electrification and hydrogen powered vehicles. While both are viable long-term solutions, **the current approach fails to recognize the potential of alternative, renewable and circular fuels, such as biomethane**, and their substantial contribution to de-fossilizing the road transport sector in the short to medium term.

The different legislative revisions¹ fail to recognize the added value of renewable fuels. The Coalition is targeting its efforts to increase the share of biomethane instead of fossil fuels in the European transport sector, since:

- Biomethane is the cleanest energy carrier today. It is used as a transport fuel as replacement for traditional fuels such as natural gas, gasoline or diesel.
- Biomethane is an energy source derived from waste and is a complementary way to produce sustainable energy equal to wind, solar and hydroelectric power. In addition, it is available 24/7 and all year round. Society will generate organic waste regardless, and biomethane is an effective yet simple technology enabling the conversion of waste into useful energy.
- It is a scalable solution² that can effectively facilitate a sustainable transition.
- Most importantly, biomethane cars are affordable and available for consumers. It can be utilized in the current rolling fleet³ and existing fuelling infrastructure, as well as cheaply retrofitted. Additionally, internal combustion engines (ICEs) are a highly developed technology. A large share of road users will be able to utilize biomethane technology without any need for subsidization.

Recommendations for a sustainable shift towards de-fossilized transport

A change in the approach in the CO₂ Standards revision is needed, since the current proposal essentially phases out the production of cars with ICEs by 2035. **The Coalition would therefore like to recommend to:**

¹ The CO₂ emission performance standards for cars and vans, the Alternative Fuels Infrastructure Directive and the Renewable Energy Directive.

² 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.

³ Consisting of over 1 billion passenger cars and trucks on the European continent.

- *Take a technology neutral approach in EU policy on transport emissions*

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. Comparing low(/zero) carbon fuels from a **well to wheel (lifecycle) approach** will show that biomethane is one of the most sustainable fuels. Do not focus merely on electrification and the uptake of hydrogen but consider all sustainable alternatives, which enable the potential positive contributions of other (transitional) based on a fair and objective comparison of emission over the lifecycle. Provisions on setting a methodology for a lifecycle approach should be included already in the current legislation.

- *Provide a concrete framework for ICEs fuelled by biomethane*

We strongly suggest considering adding a **specific exemption for biomethane-fuelled vehicles** to the proposed revision of the CO₂ emission performance standards for new cars and vans. Other incentives, such as a **(voluntary) carbon crediting mechanism**⁴, or other measures to account for the emissions reduction achieved with biomethane solutions and further stimulate the uptake of sustainable advanced biofuels and of biomethane as a short to medium term solution. The ICE is not the issue at stake, the issue is the fuels we put into the engines as they result in emissions. Fuelled with sustainable fuels, the ICE should have a future beyond 2035.

The Coalition acknowledges how it might seem as the stronger argument to regulate the ICE rather than the fuel, however, in this doing there is a clear neglect of the net-negative CO₂ emissions derived from biomethane produced via manure, agricultural residues, and organic waste from society.

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

A constant dialogue between the EU institutions and the sector in times of crisis is pivotal to ensure future-proof measures. The Zürich 5 Coalition is looking forward to continuing a dialogue in the coming months, as agreements on crucial files for the road transport sector are likely to be struck.

Thank you for your consideration,

The Zürich 5 Coalition

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The Zürich 5 Coalition consists of several leading businesses in the bio-CNG and LNG sector across the whole supply chain, advocating for the uptake of biomethane in the road transport sector in Europe. It aims to support the EU in achieving its goals under the European Green Deal in reducing transport emissions and aims to stimulate a favourable regulatory framework for the uptake of biomethane. Current members of the Coalition are BioGem Express AG (Switzerland), GibGas (Germany), OG Clean Fuels (The Netherlands) and SNAM4Mobility (Italy). The current ambassadors of the Coalition are Nærenergi (Denmark) and Landwärme (Germany).

⁴ Crediting system for renewable fuels in EU emission standards for road transport, Frontier Economics (2020)