DECARBONISING THE COMMERCIAL ROAD TRANSPORT SECTOR

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Battery electric and hydrogen fuel cell vehicles offer a promising clean alternative for the commercial road transport sector. However, many operators are reluctant to adopt the new technology given the slow rollout of recharging stations across Europe.

In this Event Report, EURACTIV looks at the debate surrounding alternative fuel infrastructure and how the EU can incentivise the decarbonisation of heavy-duty vehicles.
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Without a rapid roll-out of recharging infrastructure across the continent, Europe’s freight operators will continue to choose diesel-powered vehicles over clean alternatives, participants at an event on green road freight have heard.

While the freight industry has no affection for diesel vehicles, they remain the most efficient option given the low level of clean refuelling stations across the continent, said Umberto de Pretto, Secretary General of IRU, the road freight transport association.

“If we use diesel trucks, buses and coaches, it’s because our clients are asking us to get something from here to there in the most efficient way we can. If tomorrow they were to say here’s a wonderful [solution] that will get something from here to there as cost effectively and even more quickly than we can do today, then guess what? That’s what we will use,” he said.

“Don’t think that the industry is in love with the vehicles or with the fuel that we use,” said Umberto de Pretto, Secretary General of IRU. [yaalan / Shutterstock.com]

De Pretto also warned that the EU “is not an island”, meaning greater
green taxation on freight operators may harm Europe’s competitive edge.

“We can achieve the [decarbonisation] targets, we can do it. But let’s not put in place policies that will make economic development something that will be our biggest challenge, where we end up having huge unemployment lines instead of actually having decarbonisation,” he said.

Daniel Mes, an official who works in the team of EU climate chief Frans Timmermans, called the deployment of charging stations the “alpha and omega” of cutting road freight transport emissions.

He urged lawmakers in the Parliament and the Council to push through the Commission’s charging legislation – known as the Alternative Fuels Infrastructure Regulation (AFIR) – and criticised member states for trying to water it down.

Whilst acknowledging the difficulty provoked by soaring oil prices in the wake of Russia’s invasion of Ukraine, Mes also threw water on calls for long-term state subsidies to keep fuel prices in check.

“We must be aware of the limits of only talking about [fuel subsidies] because the reality is that state coffers are not unlimited and this situation will unfortunately stay with us for quite some time,” he said.

“When we talk about doing something about petrol prices, it must always be accompanied with clear moves to accelerate the green transition,” he added.

Mes portrayed upcoming EU legislation defining stricter CO2 emissions standards for heavy-duty vehicles as a boon to the freight industry, arguing that it will encourage vehicle manufacturers to invest in the production of clean models. The more electric and hydrogen models of coaches and trucks available, the more affordable they become, he said.

In its recently adopted position paper on CO2 standards for heavy-duty vehicles, the IRU urges the EU to support industry in switching to hydrogen fuel cell and battery-electric heavy-duty vehicles. The global road transport organisation also comes out against a ban on internal combustion engine vehicles in the short term, arguing that carbon-neutral transport fuels can be used in ICE trucks and coaches.

Repeating that we are living in extraordinary times, Mes said that all decisions surrounding the future of road transport – from politicians, industry, and individuals – must be taken with the well-being of society in mind.

“If we don’t accelerate the green transition now then we are in trouble in building a Europe that is free from fossil fuels from Russia, and safe and secure for us, our children and our future generations,” he said.

Ismail Ertug, a socialist German MEP who is the lead negotiator for AFIR in the EU Parliament, criticised the Council’s stance towards charging infrastructure mandates and called for a quicker roll out.

“The biggest problem of the European Union is the member states,” he said, accusing EU countries of “destroying” previous legislative efforts to impose ambitious clean charging infrastructure requirements.

Gerrit Marx, CEO of truck manufacturer group IVECO, called for member states to face penalties if they fail to meet charging infrastructure targets. Without the requisite infrastructure, vehicle manufacturers will be unable to sell clean vehicles, he said.

To view the event, click here.
Rather than prescribing solutions like electrification to decarbonise road transport, policymakers should focus on creating a framework for innovation that takes a technology-neutral approach, argues MEP Barbara Thaler.

Barbara Thaler is an Austrian MEP with the Austrian People’s Party (Österreichische Volkspartei), affiliated to the EU’s centre-right EPP Group. She is a member of the European Parliament’s transport committee.

For us as EPP, the principle of technology-neutrality is the foundation of each policy. True sustainability demands not only climate change measures, but also measures which safeguard the competitiveness of Europe’s economy and ensure social balance.

It is not sufficient, when the Green Deal is just green, it needs to be a Deal as well. In this context, a Green Deal needs also Green Jobs. With a solemn focus on battery electric mobility, we miss these measures and the chance to build a European market and industry for renewable fuels; we just shift the dependency of resources even more towards China.

There is no reason at all for not acknowledging sustainable bio-fuels and synthetic fuels as climate neutral.

Europe needs the internal combustion engine. There is no need for a ban if it can be powered in a climate neutral way. Besides that, our targets are ambitious and in order to reach them, we need the whole bouquet of options available.

What would you like to see regarding the upcoming proposal for CO2 emission standards for heavy-duty vehicles?

Also here I would like to see a technology-neutral approach. Which means, no more tailpipe measurements. The vote on the crediting scheme for cars and vans was tight, so I hope the Commission took note and they will come forward with a proposal that incorporates the whole lifecycle emissions measurement, instead of a tiny piece within the
Some have touted synthetic fuels as a means to make internal combustion engine vehicles carbon neutral, though critics say they are inefficient compared to electric vehicles. What is your position on synthetic fuels as a solution for road transport?

In my opinion, politics should create a framework that allows innovation to flourish. Later on, the market will decide which option will be best, depending of the individual need of the people and the sectors. In road transport, synthetic fuels, along with biofuels, will play a key role.

On top, we need hydrogen anyhow as seasonal storage for electricity. Further refining it towards synthetic fuels is the obvious thing to do. Especially since this would allow us Europeans to reduce our dependencies from some problematic suppliers.

After all, it doesn´t matter which vehicle type or which mode uses what. The atmosphere does not care which mode saves which amount of CO2.

Oil prices have been extremely volatile since Russia’s invasion of Ukraine. Some member states have put in place subsidies to keep petrol prices down. Do you think governments should be taking action, or should it be up to the market to set the price of petrol and diesel?

The market should be able to work independently within a given frame. Nevertheless, no system is flawless so some interventions from time to time are necessary. People need urgent support now; therefore, it is right if governments respond appropriately and timely.

In the long run, we must exploit Europe’s strength, which has always been innovation and research. A big safeguard is the internal market and own resources, both have to be improved and this will help to stabilise prices.

The proposed Alternative Fuels Infrastructure Regulation aims for higher charging and refuelling point targets. There has been criticism that the timeline favoured by the Council is too gradual. Do you think member states should be more ambitious in terms of alternative fuelling infrastructure?

It seems to be the normal setup these days. Parliament is ambitious and Council is cautious. Don’t get me wrong, it is two sides of the same coin.

Moreover, Council has its points, because just building charging stations will not be enough. The transmission grid needs to be upgraded as well, and building new transmission grids is extremely costly and lengthy. Then we need also to build the new renewable power plants, otherwise the whole switch to electricity makes little to no sense.

The clock is ticking, 2030 is already around the corner. Therefore, I think we need to set ourselves targets which can be met. This goes beyond the AFIR, it applies to many files.

Many in the commercial road sector have said that the lack of charging points across Europe is holding them back from choosing clean vehicles. Do you think the EU and member states are doing enough to incentivise a switch to clean heavy-goods vehicles?

I fully support the aim to make our environment cleaner and that we need to play our part in reaching the Paris goals. It is the right thing to do; however, I do not think we should legislate every single inch. It is the job of the market, of the customers, of the business to make their choice.

If a truck runs on biofuel, efuels, electricity or hydrogen, it does not really matter and it should be no concern for the legislator. Our main aim is to reduce CO2 emissions. The way towards this goal should not be a one-path only option.

If we want to keep Europe competitive than we need a regulative environment which encourages competition for the best solutions. This creates technological progress. A one-size fits all regulation on the other hand, does the exact opposite.

Do you support adding commercial road vehicles to the EU’s Emissions Trading Scheme? If the Council’s position to gradually build alternative fuel infrastructure wins out, should commercial road transport still be included in the ETS given many operators will be reluctant to switch to clean vehicles due to lack of charging points?

In general, a market-based ETS is a good tool, if it is used in the right way. Applying it to commercial transport only, is not the right way at all. Hauliers can simply pass on the costs and so there is literally no incentive for fuel producers to switch to alternatives.

The recent hikes at the fuel pump correspond to a CO2 price of €400 per ton. As we saw, nothing changed – at the end the consumer pays. So it is just a new tax on CO2, hitting those who cannot pass it on down the chain.

Operators will switch when the conditions are right, when vehicles are available at reasonable prices and if the infrastructure is there. Possibly this will differ from case to case, from Member State to Member State, but maybe it is also a sign that we as legislators have to rethink our stance towards biofuels and efuels.
The timely deployment of alternative fuels infrastructure across the EU, and smart taxation and charges, which encourage operators to decarbonise, are paramount for successfully decarbonising road transport.

Collective passenger transport is a decarbonisation tool in its own right. Yes, it groups people and moves them away from private cars. But it would bring even further benefits if cleaner vehicles and fuels were readily available across the EU.

Greening road freight fleets is also crucial given that road transport by road represents over 75% of the EU’s overland goods transport. What is more, there are realistically no chances of a massive shift to other transportation modes, even in the distant future.

Almost one year after the launch of the ambitious Fit for 55 Package, discussions between the European Union.

Raluca Marian is the Director EU Advocacy and General Delegate of IRU’s Permanent Delegation to the European Union.
Parliament and the Council are at an advanced stage on the legislative proposals to boost decarbonisation in the EU.

Three of those are fundamental for the decarbonisation of road transport: the proposal for a regulation on alternative fuels infrastructure (AFIR), the inclusion of road transport in the scope of the emissions trading scheme (ETSII) and the revision of the energy taxation directive (ETD). Are these proposals heading in the right direction?

The green transition of the coming decade will require an enormous effort: about 1 million transport companies in the EU use over 35 million vehicles, of which approximately 7 million are heavy-duty vehicles.

As zero-emission vehicles are starting to hit the market, it is imperative to roll out an alternative fuels infrastructure across the EU. This means making alternative fuels widely available and providing a strong grid to deliver enough power to charge an increasing number of electric vehicles.

The European Commission’s AFIR was a good starting point in terms of the ambition required to decarbonise goods and passenger road transport. Yet, while the European Parliament seems determined to go even further, we see a risk in the Council’s timid approach, in particular for heavy-duty vehicles. A less ambitious outcome would be a significant setback in achieving the objectives of the European Green Deal.

We know that the taxation and charging structures proposed by ETS II and ETD can act as a strong incentive for rapid decarbonisation. The only condition is that they go hand in hand with an alternative fuels infrastructure and wider availability of zero-emission vehicles. It would work even better if the revenues collected (particularly through ETS II) were used to invest in the decarbonisation of road transport. Unfortunately, the European Parliament’s committee reporting on this file (ENVI) has recently reached a weak compromise, which will fail to deliver a fit-for-purpose ETS II.

ENVI proposes the almost immediate introduction of commercial vehicles in the scope of ETS II, leaving aside private road users. Not only does this ignore the 300 million private vehicles producing more than 70% of road transport CO2 emissions, but it is also an impractical, largely unenforceable system.

Not to mention the strong counterproductive signal to EU citizens and businesses against the vital role of public transport, collective mobility and efficient goods transportation in greening our roads.

In conclusion, the European Union’s decarbonisation plans for road transport will only be successful with good timing and appropriate incentives. Vehicles, fuel infrastructure and fuel availability need to be taken into consideration together. Road transport operators need a motivating stimulus to initiate the transition, including through smart taxation and gradually introduced charges.

Today, with the legislative process in full gear, we are still hopeful. We call on the Council to embrace ambitious targets for alternative fuels infrastructure, and the European Parliament to vote against a weak compromise on ETS II, which currently fails to deliver on its promise.