

Eurogas Reaction on the Commissions' Communications on the *Industrial Action Plan for the European automotive sector* and *Decarbonise Corporate Fleets*

On 5 March 2025, the Commission has published two Communications in the context of the Strategic Dialogue on the Future of the Automotive Industry: The *Industrial Action Plan for the European automotive sector* and *Decarbonise Corporate Fleets*.¹

Eurogas and its Members, who strongly advocate for a complementary and technologically neutral transition in the transport sector, not only regretfully acknowledge that no representatives of the energy sector were invited to the Strategic Dialogue – leaving out the part of the value chain powering European vehicles – but are troubled by the Commission's intention to focus solely on electrification, to the detriment of a full technology neutrality scenario for light and heavy duty road transport. Such approach seems to be favoured despite the Commissions own commitment to bring forward a “full technology neutrality”, the proven decarbonization benefits of renewable and low carbon fuels and the evident barriers for a wide scale uptake of BEVs. This approach is not only economically and industrially risky but also fails to leverage the EU's industrial strengths and the full range of decarbonization technologies available today to meet the sector's CO₂ emissions reduction targets.

Recommendations:

1. ***Urgently revise the CO₂ emission standards Regulations to implement a full technology neutral approach, recognizing the contribution of bioLNG / bioCNG and synthetic fuels, and ensuring that all renewable and low-carbon solutions are recognized for their GHG saving potential, cost efficiency, current market presence and availability of infrastructure.***
2. ***Adopt a 'well-to-wheel' CO₂ emissions counting methodology that considers, as for other EU Directives and Regulations (e.g. RED, FuelEU Maritime, ReFuel Aviation or CountEmissionsEU²), lifecycle emissions of fuels, rather than focusing solely on tailpipe emissions.***
3. ***Support investment in new infrastructure and fleet renewal for all alternative fuels, enabling wider adoption of bioLNG / bioCNG and synthetic fuels, alongside electrification.***

¹ European Commission. *Remarks by Commissioner Tzitzikostas at the press conference of the Industrial Action Plan for the European automotive sector and Decarbonise Corporate Fleets*, 2025. Accessed on 14 March 2025. ec.europa.eu.

² *CountEmissionsEU* is still in trilogue negotiations, however, all texts from Commission, Council and Parliament foresee a well-to-wheel emission counting methodology.

The Need for True Technological Neutrality

The principle of ‘technological neutrality’ must be at the heart of Europe’s decarbonization strategy, including the transport sector. This is also clearly stated in the Communication on the *European Green Deal* (COM/2019/640). The current policy bias in favour of electric vehicles disregards the fact that internal combustion engine (ICE) vehicles running on bioLNG / bioCNG and, in the future, e-methane, can already achieve significant CO₂ emission reductions, in addition to significant reductions in terms of particulate (PM), nitrous dioxide (NO₂) and noise.³

Recent statements from President von der Leyen supporting a fully technology-neutral approach, along with Commissioner Tzitzikostas' commitment to assessing all technological solutions in the CO₂ standards revision, are welcome steps. However, concrete policy measures are still lacking. It remains essential for the Commission to formally embed these commitments into the policy framework for road transport at the earliest.

Furthermore, as stated in Articles 101-109 TFEU and Article 3(3) TEU, the European Union has a clear mission to establish an internal market characterized by free competition and economic efficiency, promoting a highly competitive social market economy. However, the current 'electrification-only' approach is clearly not living up to this mission. The same issue applies to fiscal and economic policies outlined in the Action Plan for the Automotive Sector and the European funds allocated for the decarbonization of transport, which are currently heavily skewed in favour of electric propulsion, excluding solutions such as LNG or CNG despite their proven contribution to emissions reduction. This approach raises questions about compliance with the EU's competition and market support framework, failing to ensure equal development opportunities for all environmentally friendly technologies.

Considering the above, we believe that action is necessary to:

- **Restore technological neutrality** in heavy-duty transport decarbonization policies, ensuring that all viable technologies – including LNG and CNG – can fairly contribute to meeting environmental goals.
- **Guarantee a regulatory framework that respects the principle of fair competition**, as outlined in Articles 101-109 TFEU, avoiding market distortions and discrimination against alternative technologies.
- **Revise EU funding policies** to ensure that funds for ecological transition are accessible to all solutions that contribute to emission reductions, without prejudicial exclusions.
- **Review Regulation (EU) 2019/1242** to ensure that emission reduction targets are met through a truly neutral approach, based on the competitiveness of different available technologies.

³ European Commission. *Determining the environmental impacts of conventional and alternatively fuelled vehicles through LCA*, 2020. Accessed on 14 March 2025. [Climate.ec.europa.eu](https://climate.ec.europa.eu).

Market Realities and Industrial Impact

Focusing on an ‘electrification-only’ approach, especially for heavy-duty vehicles, disregards clear market signals. There are still several impactful barriers connected to the electrification of LDV and HDV fleets, ranging from high equipment costs (vehicles and infrastructure), insufficient recharging infrastructure, long permitting times, and raw material supply constraints. Meanwhile, LNG and CNG trucks are already contributing to reducing emissions in heavy-duty transport, where battery-electric solutions cannot meet operators’ needs due to payload and range limitations.⁴

- **The European HDV market needs diversified solutions tailored to operational realities** – While electric trucks may be a viable alternative for certain applications, long-haul transport requires alternative solutions such as bioLNG / bioCNG or synthetic fuels. Legitimizing these solutions is particularly relevant in the current scenario where trucks in Europe are on average 14 years old.⁵ Operators need reassurances and need to be put in the condition to be able to invest today to decarbonise their fleets today.
- **The current regulatory framework fails to account for lifecycle emissions** – The exclusive focus on tailpipe emissions overlooks the full carbon footprint of different technologies, ignoring the decarbonisation potential of fuels like bioLNG / bioCNG which, depending on the feedstock, can even be carbon negative.
- **Inconsistency of the current legislative framework** – While the current CO₂ emission standard Regulations for cars and vans and for HDVs only consider CO₂ emissions at the tailpipe, other legal texts like RED, FuelEU Maritime, ReFuel Aviation or CountEmissionsEU⁶ look at lifecycle or well-to-wheel emissions of fuels.
- **The persistent ‘electrification-only’ narrative risks delaying critical efforts to scale up renewable and low-carbon alternative fuel volumes and results in higher costs for all energy users** – Policymakers must acknowledge that a mix of technologies will sustain industrial jobs and economic stability, as already underlined by Draghi in his *The Future of European Competitiveness* report.

Recognizing the Role of BioLNG / BioCNG and Synthetic Fuels

LNG trucks operating on bioLNG / bioCNG already achieve substantial CO₂ reductions and can potentially achieve even negative emission in the case of feedstocks like manure. Unlike EVs, these vehicles can rely on existing refuelling infrastructure and require no costly grid upgrades.

- **Immediate decarbonization potential while using existing infrastructure** (i.e. through existing pipelines, LNG terminals and carriers).

⁴ European Commission. *Industrial Action Plan for the European automotive sector and Decarbonise Corporate Fleets*, 2025. Accessed on 14 March 2025. ec.europa.eu.

⁵ *Ibid.*

⁶ *CountEmissionsEU* is still in trilogue negotiations, however, all texts from Commission, Council and Parliament foresee a well-to-wheel emission counting methodology.

- **Economic and industrial benefits** – Supporting bioLNG / bioCNG and synthetic methane ensures a competitive and diversified European transport industry, reducing dependencies on non-EU battery and raw material supply chains.
- **Support for an expansion of the number of vehicles running on biomethane** (through increased new vehicle sales) is key to leveraging the infrastructure already in place and maximising the climate mitigation potential of bio and synthetic methane.
- **Supplementing LNG/CNG demand with biomethane and synthetic methane** – The production of biomethane and synthetic methane from renewable electricity will further enhance the sustainability of gas transport.
- **Retrofitting of HDVs also for bioLNG & bioCNG trucks** – Retrofitting of ICE trucks should also be encouraged for alternative fuels like bioLNG and bioCNG.