Open Letter on EU funding for CNG and LNG Trucks Compatible with Biomethane for Decarbonising the Heavy-Duty Vehicle (HDV) Transport Fleet

Brussels, 24 March 2025

Dear Commissioner Tzitzikostas,

Dear Members of the European Parliament,

Dear Ministers,

In the European Union, almost 80% of inland freight is transported by heavy-duty vehicles, such as trucks[1], while buses and coaches represent more than half of all public transport journeys[2]. This reliance on HDVs for freight and passenger transport makes **them an essential component of the EU's socio-economic fabric.** However, these vehicles are also significant contributors to greenhouse gas (GHG) emissions, accounting for over 25% of emissions from road transport[3]. Therefore, strong emphasis is needed on technological solutions to decarbonize the sector.

The European Green Deal aims at reducing GHG emissions from the transport sector by 90% by 2050[4]. To achieve this ambitious goal, renewing the HDV fleet is vital. Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) trucks, already compatible with biomethane, offer a viable and readily available solution for reducing emissions and transitioning to cleaner transportation.

This initiative aims to accelerate decarbonisation of the HDV transport fleet by leveraging a technology that offers immediate and substantial emission reductions, enhances air quality compared to conventional alternatives, and fosters energy security within the European Union by leveraging sustainable fuel sources that are consistent with the circular economy.

Biomethane is a refined form of biogas produced from organic materials, such as manure or agricultural waste. Biomethane can be transported through the current gas infrastructure and utilized with existing end-use technologies, including heavy-duty vehicles. This renewable fuel is particularly well-suited for HDVs that transport heavier loads over long distances – a segment challenging to electrify. Utilizing biomethane and other gaseous fuels can significantly contribute to GHG emissions reduction in heavy-duty transport, and even lead to negative emissions from a well-to-wheel perspective (when considering the CO_2 captured during the production process).

[1] ACEA, Fact sheet: trucks, 2023.
[2] ACEA, Fact sheet: buses, 2023.
[3] European Council, Heavy-duty vehicles: Council signs off on stricter CO_2 emission standards, 2024.
[4] Ibid.

Biomethane already contributes to the decarbonisation of heavy-duty road transport today. **In the EU, more than 30% of the 4600 available CNG and LNG refuelling stations offer biomethane refuelling options**[5]. These stations supply a fleet of over 50,000 gas powered trucks and 30,000 gas powered buses[6]. However, most trucks in the EU are still diesel-powered (95%), while the average age of the truck fleet remains high (13,9 years)[7]. Specifically, for HDVs that meet Euro V standards or lower, the average age ranges from 10 to 30 years. These older trucks account for about 60% of the active EU fleet[8]. This indicates that the market struggles not only to adopt alternative propulsion technologies but also to replace existing diesel trucks with newer models. The sector's low and shrinking profit margins, coupled with financial difficulties, contribute to this issue. To meet its decarbonization goals, the EU should offer substantial subsidies to support the replacement of outdated vehicles with affordable, cleaner readily available technologies such as LNG/CNG.

Fleet renewal must accelerate significantly to enable the HDV segment to reach its GHG emissions reduction potential. Despite this pressing need, most national funding opportunities are either insufficient compared to the EU's fleet renewal requirements or exclusively focused on battery electric vehicles. For instance, Italy's decree offers a modest €25M in incentives for road haulage fleet renewal[9], while France's EEC E-Trans programme allocates €110M solely to battery-electric HDVs[10]. This narrow focus creates a support gap to the disadvantage of alternative technologies like CNG and LNG trucks, impeding progress in decarbonising the HDV sector. A diversified approach is essential to meet the varied needs and operational realities of HDV transport. In addition, considering the lower purchase price of CNG/LNG HDVs compared to other alternatively fuelled HDVs, directing funding towards CNG/LNG vehicles can lead to **greater GHG emission reductions at a lower overall cost.**

The Renewable Energy Directive *[Directive (EU) 2023/2413, Art.25]* classifies biomethane as a renewable fuel, hence making it eligible to contribute to the target of at least 29% renewable energy in the final consumption of all energy used in transport. In addition, the CO_2 standards Regulation for HDVs *[Regulation (EU) 2024/1610, Recital 17 & Art.15]* foresees and should implement as soon as possible the recognition of CO_2 neutral fuels such as biomethane to decarbonise the HDV sector.

To achieve the RED targets and match the EU's net zero ambition by 2050, we believe that additional incentives to support carbon neutrality in the road transport sector should consider the benefits of renewable and low-carbon fuels. Funding for CNG and LNG trucks compatible with biomethane and synthetic methane will play a crucial role in reducing emissions and achieving the EU's ambitious climate goals, including climate neutrality by 2050. Given the availability of biomethane in the market (4.2 bcm produced in the EU in 2022[11]), its potential growth in volumes in the next years (44 bcm by 2030[12]) and the strong foundation of refuelling infrastructure, increasing the number of biomethane HDVs can immediately contribute to decarbonizing transport.

We therefore urge European institutions to adopt technology-neutral funding initiatives for the renewal of the EU's heavy-duty vehicle fleet, including for CNG and LNG trucks that are already utilising biomethane as potential CO_2 neutral fuel.

Rue d'Arlon 80 | 1040 Brussels, Belgium | www.eurogas.org | EU Transparency Register: 17909506129-41

About Eurogas

Eurogas is an association of over one hundred members representing gaseous energy in Europe. We lead the sector's transition to climate neutrality through dialogue with stakeholders and policymakers, so that gas can be effectively used for the decarbonisation of Europe's energy sector. We are active throughout the gas sector value chain, including renewable and low-carbon gases, their derivatives and carbon capture utilisation and storage. Our members cover wholesale and retail gas markets, the distribution of gaseous energies and the use of gas in transport. We also represent technology providers including companies active on value chain methane emissions management.

https://www.eurogas.org

[5] Eurogas, Stations overview, 2024.
[6] ACEA, Vehicles on European roads, 2024.
[7] ACEA, The Automobile Industry Pocket Guide 2024/2025, 2024.
[8] ACEA, Vehicles on European roads, 2024.
[9] MIT, Decreto 1 dicembre 2023, 2024.
[10] ADEME, Appel à projets – Véhicules lourds électriques 2024, 2024.
[11] EBA, Statistical Report 2023, 2024.
[12] Guidehouse, Biogases towards 2040 and beyond, 2024.

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