



European
Automobile
Manufacturers
Association

ACEA Position Paper The European Commission's Action Plan on Alternative Fuels Infrastructure



February 2018

INTRODUCTION

The European Commission presented its Clean Mobility Package on 8 November 2017¹. Besides a number of legislative and non-legislative initiatives, the Commission also launched an Action Plan on Alternative Fuels Infrastructure as well as investment solutions for the trans-European deployment of alternative-fuel infrastructure. The aim of these proposals is to increase the ambition level of national alternative-fuel plans and investments in the 28 member states, as well as improving consumer acceptance of alternatively-powered vehicles.

In addition, the European Commission presented its detailed assessment of the National Policy Frameworks that focus on the implementation of the Directive on Alternative Fuels Infrastructure (DAFI) in the member states.

Both documents should be seen in the context of the key legislative proposals in the Clean Mobility Package, which include CO₂ standards for passenger cars and light commercial vehicles for 2025 and 2030. Another key element of the package is setting benchmarks for the uptake of low- and zero-emission vehicles (LZEV²). The Commission has proposed a benchmark level of 15% LZEV vehicles by 2025 and a 30% benchmark for 2030. This LZEV benchmark is linked to the CO₂ targets proposed for 2025 and 2030, which would have the same ambition level (percentage-wise) as the benchmarks according to the current proposal.

The 2030 CO₂ target and benchmark would be subject to a review clause according to Article 14 of the draft recast proposal, which states that: "The Commission shall in 2024 submit a report to the European Parliament and the Council on the effectiveness of this Regulation [...] this report will consider, inter alia [...] the deployment on the Union market of zero- and low-emission vehicles and the roll-out of recharging and refuelling infrastructure reported under Directive 2014/94/EU of the European Parliament and of the Council".

With that in mind, the European Automobile Manufacturers' Association (ACEA) takes note of the fact that the Commission is making an explicit link between the deployment of alternative-fuel infrastructure and attaining the 2030 CO₂ targets for passenger cars and light commercial vehicles. Moreover, this also means that the European Commission recognises the importance of infrastructure deployment for alternative fuels in reaching any CO₂ target beyond 2020, with consumer acceptance heavily depending on the availability of such refuelling and recharging infrastructure.

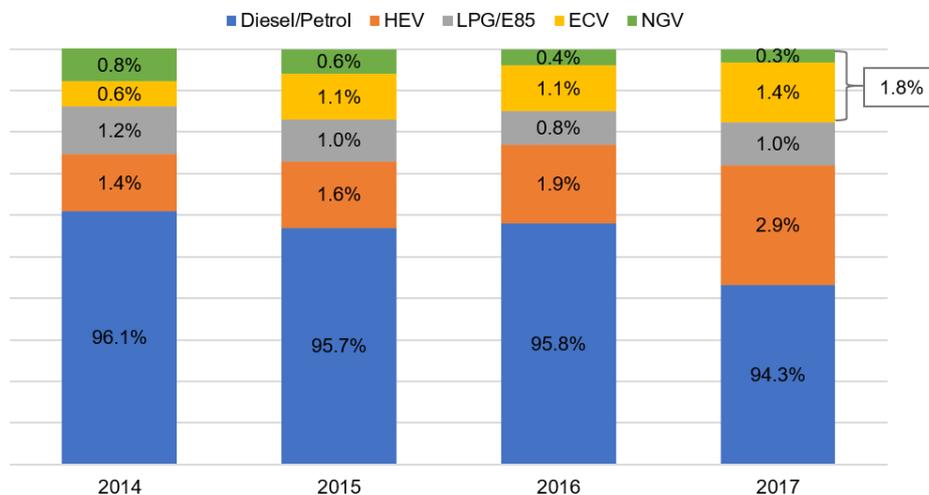
¹ https://ec.europa.eu/transport/modes/road/news/2017-11-08-driving-clean-mobility_en

² Defined as vehicles below 50g CO₂/km WLTP according to the Commission's draft proposal.

ACEA'S PERSPECTIVE ON THE ACTION PLAN

1. ACEA is a long-time and active advocate of the necessity of rolling out recharging and refuelling infrastructure for alternatively-powered vehicles in order to promote the market uptake of such vehicles – especially given that the current lack of infrastructure is one of the major hurdles to widespread consumer acceptance. In other words, there is a clear correlation between today's limited availability of appropriate infrastructure and the low market share of alternatively-powered vehicles in the EU.

NEW PASSENGER CARS IN THE EU BY FUEL TYPE | % SHARE



2. Similarly, ACEA has always been a staunch supporter of a strong DAFI proposal that seeks clear commitments from member states. From that perspective, ACEA welcomes the European Commission's activities that focus on:
 - a) Persuading member states to properly implement the DAFI Directive, as well as any efforts to streamline the focus of the national plans of the 28 member states, which are still highly divergent across the EU today.
 - b) Acknowledging the importance of the availability of infrastructure for alternative fuels across the European Union.
 - c) Respecting the technology neutrality principle that covers all types of fuels within the National Policy Frameworks.
 - d) Ensuring the availability of alternative-fuel infrastructure across the Trans-European Transport Networks (TEN-T).
3. EU automobile manufacturers also welcome the Commission's initiative to make enhanced financing tools available at EU level as a part of the Action Plan. The plan adopted by the

Commission will soon be available to support the deployment of all different fuel types that are relevant for the different vehicle segments.

4. In addition, ACEA confirms its full commitment to efforts to speed up DAFI implementation and guidance through the Sustainable Transport Forum that was established by the Commission. The forum should be seen as the core coordination instrument for reporting on progress made on the National Policy Frameworks and implementation of the steps specified in the Action Plan.
5. ACEA would like to stress the importance of investments in smart grids as a prerequisite for making smart charging possible. The readiness and availability of electricity grids is seen by ACEA as a key bottleneck for the execution of the EU strategy on alternative-fuel infrastructure. As highlighted in various studies (for example those by Eurelectric³ and FTI Consulting⁴), upgrading grid capacity and flexibility will be a major investment challenge in the coming years – posing a potential threat to wider consumer acceptance and market uptake, especially in the case of electrically-chargeable vehicles.

KEY RECOMMENDATIONS

1. ACEA endorses the initiatives of the European Commission that seek to support the EU-wide deployment of alternative-fuel infrastructure. In doing so, the Commission should ensure that implementation of the DAFI Directive is coherent and consistent across all 28 member states. The Sustainable Transport Forum should be seen as the key instrument to steer the member states.
2. The proposed Action Plan confirms the crucial importance of infrastructure availability in stimulating consumer acceptance of alternatively-powered vehicles. ACEA confirms its support for including infrastructure-based conditionality in the draft CO₂ recast proposal as well as in the review clause for the 2030 LZEV benchmark and the 2030 CO₂ targets – ie those should be conditional based on the real market uptake of alternatively-powered vehicles and availability of the necessary infrastructure.

³ Eurelectric, 2015, *Smart charging – Steering the charge, driving the change*.

⁴<http://www.fticonsulting.com/~media/Files/emea--files/insights/reports/impact-electrically-chargeable-vehicles-eu-economy.pdf>

3. This type of conditionality mechanism should also be considered for the 2025 LZEV benchmark and the interim CO₂ target proposed for that year. Given today's very low market uptake of alternatively-powered vehicles, the inclusion of such a mechanism would be of the utmost importance.
4. Moreover, the European Commission should continue to respect the technology neutrality principle in all policy areas, as it does within the DAFI Directive and the Action Plan. The decarbonisation of road transport via alternative fuels will require different fuels for different vehicle segments – no solution should be excluded.
5. The Action Plan, and all initiatives to support alternative fuels that are covered by it, should be promoted and reflected in all relevant policy initiatives of the European Commission – especially the Clean Mobility Package and the post-2020 CO₂ review, as well as the review of the Clean Vehicles Directive. The Action Plan rightly focusses on addressing the urgent lack of infrastructure and the need for technological neutrality, but this is not sufficiently reflected in other parts of the Clean Mobility Package in ACEA's view.



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ABOUT ACEA

- ACEA represents the 15 Europe-based car, van, truck and bus manufacturers: BMW Group, DAF Trucks, Daimler, Fiat Chrysler Automobiles, Ford of Europe, Honda Motor Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, PSA Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group.
- More information can be found on www.acea.be or [@ACEA_eu](https://twitter.com/ACEA_eu).

ABOUT THE EU AUTOMOBILE INDUSTRY

- 12.6 million people – or 5.7% of the EU employed population – work in the sector.
- The 3.3 million jobs in automotive manufacturing represent almost 11% of EU manufacturing employment.
- Motor vehicles account for almost €396 billion in tax contributions in the EU15.
- The sector is also a key driver of knowledge and innovation, representing Europe's largest private contributor to R&D, with more than €50 billion invested annually.
- The automobile industry generates a trade surplus of about €90 billion for the EU.