

Joint letter

AFIR – CNG/LNG road transport infrastructure

The signatories below would like to share our concerns regarding the Alternative Fuels Infrastructure Regulation proposal. Published by the European Commission on 14 July 2021, as part of the Fit-For-55 Package, this proposal is intended to support the deployment of alternative fuels infrastructure within the EU.

Our associations fully welcome the European Commission's ambition to develop a strong policy framework for the further deployment of alternative fuels infrastructure to achieve the Green Deal objectives. However, the overall lack of ambition for LNG/CNG infrastructure, which can supply natural gas, biomethane and e-methane to end-users is alarming as it would considerably delay the decarbonisation of transport.

The deployment of the road refuelling infrastructure for gas supports the decarbonisation of the transport sector. It enables the supply and wider deployment of gaseous solutions including biomethane and e-methane across the EU.

Key recommendations:

- The Regulation should provide a coherent alternative fuels definition, which would embrace technology openness without restricting options to a limited set of solutions.
- A comprehensive evaluation should be carried out by 2027, on the basis of which, the Regulation and its ambitions should be updated to match the demand for alternative fuels.
- The Regulation should adequately recognise the role of CNG/LNG refuelling infrastructure in enabling the supply of multiple renewable and low carbon fuels i.e. liquified/compressed biomethane and e-methane:
 - LNG infrastructure should be supported beyond 2025 to accelerate the decarbonisation of heavy-duty road transport by enabling a higher share of bioLNG.
 - Setting ambitious and long-term targets for LNG infrastructure for heavy-duty vehicles is also crucial to send robust investment signals. They are needed to secure the development of the bioLNG value chain and create further supply capacities for other transport sectors.
 - The Regulation should maintain its ambition to deploy CNG infrastructure to secure on-going investments and support the decarbonisation of the existing fleet of light duty vehicles, trucks, buses and coaches.

Reconsidering the alternative fuels' terminology

All fuels able to contribute to the decarbonisation efforts should be fully acknowledged by the Regulation. The new definitions of “alternative fuels” introduced in the EC’s proposal in Article 2 (3) are misleading. They prevent the recognition of the real environmental footprint of fuels and their significant decarbonisation potential. For example, they underestimate the performance of biomethane which can be carbon neutral or even net negative on its complete lifecycle.

The proposed definitions would also lead to logistical issues, in particular in case of blending of renewable fuels, which risks creating unnecessary obstacles to increasing the shares of renewable fuels in the future.

Alternative fuels, such as CNG and LNG, are composed of a blend with an increasing share of biomethane and e-methane. Integration of higher shares of these fuels into the refuelling infrastructure is crucial to accelerate the reduction of GHG emissions of fuels used in road transport. Good alternative fuels definitions can lead to an increased ramp-up of alternative fuels.

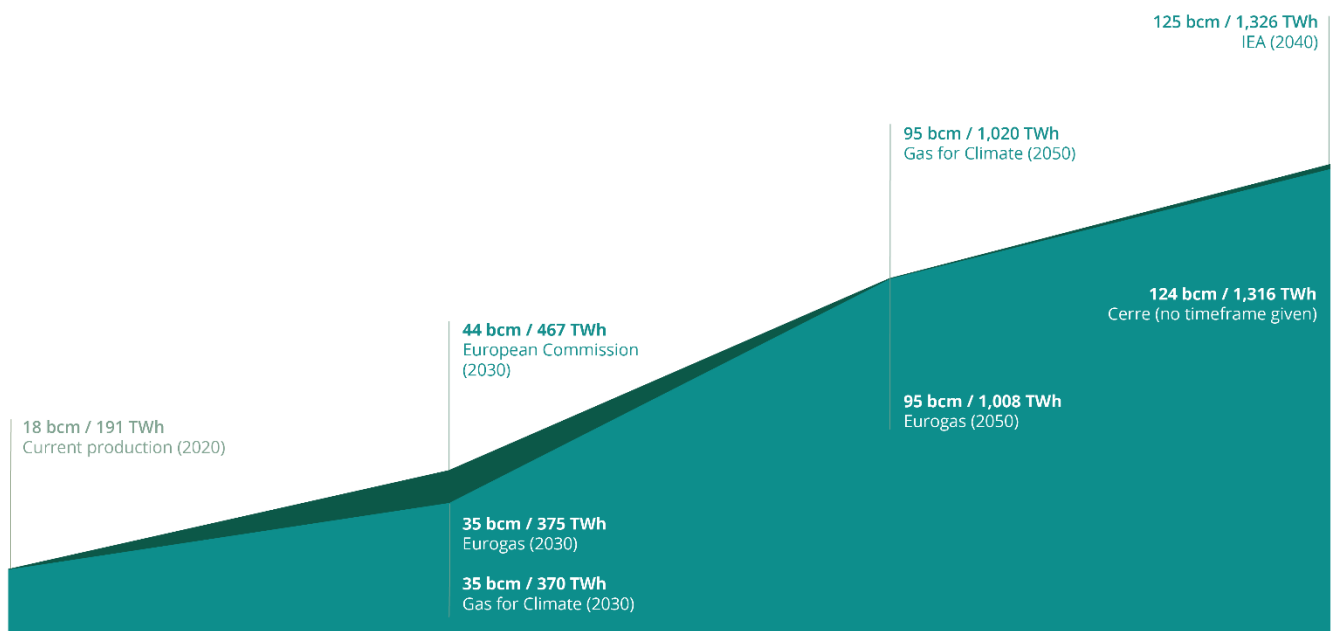
Overall, these definitions, which are not referenced elsewhere in the text, are unnecessary for fulfilling the objectives of the AFIR. Instead, the AFIR should uphold a technology-open approach to support the achievement of the Fit-for-55 package’s objectives. It should be carefully aligned with the ambitions defined by complementary pieces of legislation, such as the Renewable Energy Directive and the CO2 standards for light and heavy-duty vehicles.

Support LNG/CNG infrastructure in the long term

The support for the deployment of LNG/CNG refuelling infrastructure within the AFIR lacks ambition. It fails to recognise the role of this infrastructure in increasing the supply of multiple alternative fuels, including renewable and low carbon fuels, even though the EC states in recital (7):

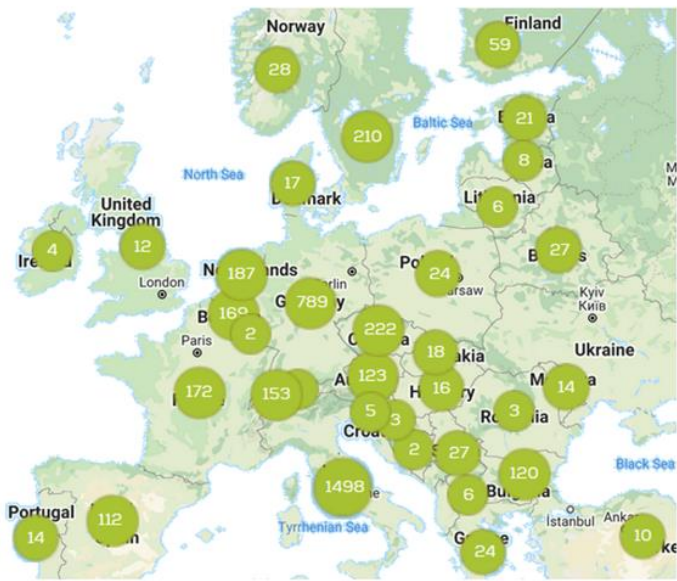
“Transport fuels such as LNG need increasingly to be decarbonised by blending/substituting with liquefied biomethane (bio-LNG) or renewable and low-carbon synthetic gaseous e-fuels (e-gas) for instance. Those decarbonised fuels can be used in the same infrastructure as gaseous fossil fuels thereby allowing for a gradual shift towards decarbonised fuels.”

A well-developed infrastructure will therefore empower the necessary uptake of biomethane and e-methane. Investments in developing these networks do not create any lock-in effects, as these are strategic long-term assets for the transition towards climate neutral mobility. The European Commission, organisations like the IEA or CERRE and industry agree that biomethane production and consumption in Europe is expected to grow significantly in future.

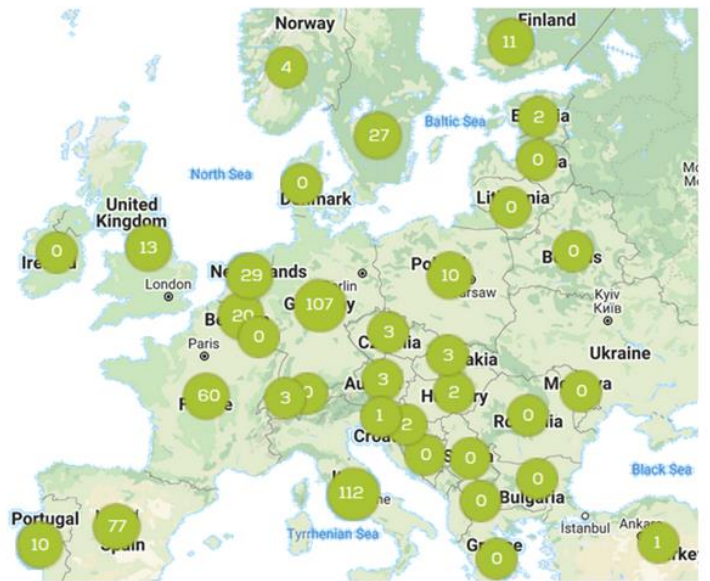


Potential European biogas and biomethane production for 2030, 2040 and 2050, as calculated by the various studies, expressed in bcm and TWh.

Member States such as Finland and Sweden, already consume very high shares of biomethane in their road transport sector (>50% and >95% respectively). Achieving these volumes was only possible thanks to well-developed CNG/LNG infrastructure. Yet, the CNG/LNG refuelling infrastructure is not yet well-developed in many areas of the EU. This situation must be corrected to avoid the infrastructure expansion lagging behind the development of the future fleet of gas-vehicles— especially for heavy-duty road transport. This risks hampering the further uptake of biomethane and e-methane in the sector (see Annex). The objectives of the AFIR to develop a consistent network of alternative fuels infrastructure across the EU has yet to be achieved. Ambitious targets for CNG/LNG infrastructure are lacking compared to other alternative fuels, for which long-term requirements based on distance between refuelling/recharging infrastructure have been proposed.



Number of CNG stations, February 2022, NGVA Europe



Number of LNG stations, February 2022, NGVA Europe

The potential of gaseous fuels, such as biomethane and e-methane, to decarbonise road transport, requires strong support from the AFIR. Such support will create certainty about the future demand of these fuels. It will set the right long-term investment signal required to build additional capacities to supply these fuels. These would also benefit other transport modes with demand for gaseous fuels, such as maritime transport. It is, therefore, crucial that the AFIR maintains strong and ambitious targets for the further deployment of CNG/LNG infrastructure across the EU.

Signatories:



