



October 1, 2018

Dear Members of the European Parliament,

Dear Ministers,

We, the signatories of this letter, a group of associations, representing major companies in the energy and transport sectors, fully support the EU's long-term decarbonisation goals, including the objective of reducing greenhouse gas emissions from transport by at least 60% by 2050. We contribute to these goals by investing in alternative transport technologies and fuels and we are ready to continue and even step up our activities provided that an appropriate regulatory framework is put in place.

Such a framework should – instead of picking winners – create a level playing field to allow for a fair competition among different clean mobility solutions. A variety of alternative fuels and powertrains are necessary to address the challenges in the transport sector, including natural and renewable gas.

More than 1.3 million natural gas vehicles are circulating on Europe's roads today, reducing not only CO<sub>2</sub> but also air pollutants and noise compared with conventional vehicles in a very cost-effective way. The sector dimension is the result of a well-proven European excellence, with know-how and products exported all over the world.

At the same time, the gas mix is becoming greener. A share of 30% of renewable gas to be used in gas vehicles is expected by 2030. Biomethane is a carbon-neutral fuel as the CO<sub>2</sub> emissions released during combustion are equivalent to those captured during the biomass life-time. Biomethane is also an excellent example of the circular economy since biowaste can be used to produce the fuel. Synthetic gas produced with excess electricity from renewable sources via power-to-gas processes does not only decarbonise the transport sector, but also helps to integrate intermittent renewables in the energy system.

Regrettably, the potential of renewable gas is not considered when looking at tailpipe emissions only. We deem it therefore fundamental to consider the entire fuel chain including extraction, production, transport and use of the fuel or electricity in order to provide a more realistic comparison of different options. A well-to-wheel approach is indispensable to account adequately for the CO<sub>2</sub> benefits of renewable gas, and must be introduced as soon as possible.

**No time should be lost to establish a well-to-wheel approach! While preparing the shift towards this new methodology, it is necessary to recognise the value of biomethane in the process of decarbonising transport, and to implement in parallel a Carbon Correction Factor (CCF) as an interim solution in order to create the right conditions from the start.**

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