

12 May 2021

Dear Vice President Timmermans, Commissioner Valean, Commissioner Simson, Commissioner Breton

We, the signatories, write to express our support for the goals of the European Green Deal for shipping and aviation, notably the objectives to deploy sustainable alternative fuels/energy via a dedicated Fuel EU Maritime and ReFuelEU Aviation initiatives.

Maritime and aviation transport are important parts of the EU economy and their decarbonisation will directly impact the Union's ability to achieve carbon neutrality by 2050. However, there are certain risks that the FuelEU and ReFuelEU initiatives, as well as the Sustainable and Smart Mobility Strategy (SSMS), could inadvertently cause the uptake of alternative fuels that are worse than fossil fuels, notably crop-based biodiesel and natural gas (LNG). **In order to avoid the promotion of unsustainable fuels in these sectors, the signatories call on the European Commission to explicitly exclude biofuels and fossil natural gas from the scope of the FuelEU Maritime initiative and crop-based biofuels from the ReFuelEU Aviation. We instead call on the EU to focus on green electro-fuels produced from additional renewable electricity and whenever CO2 is required, direct air capture (DAC).**

The EU's experience with the Renewable Energy Directive (RED) demonstrates the dangers of public policy driving unsustainable fuels. It has become evident that, on the one hand, crop-based biofuels do not provide significant carbon reductions compared to fossil fuels, in most cases actually resulting in much higher emissions. They also create social injustices, including water scarcity and food price volatility.¹ Advanced biofuels (biomethane or bioliquids), on the other hand, have sustainable feedstock limitations even to cater to the needs of sectors which are already reliant on fossil gas, or the aviation sector which doesn't have many other alternatives.² Due to these limitations and provided that shipping has other scalable alternatives³, advanced biofuels should not be promoted in the shipping sector.

Fossil natural gas too causes higher GHG emissions than diesel when considering upstream methane slips and on-board ship methane leakages. The EU's current relevant legislation ignores methane slip and leakages. Certain stakeholders with vested interests are aiming to maintain it like that. This runs the risk of the EU investing billions of euros of public money in fossil natural gas infrastructure and ships, which are doomed to become stranded assets if the EU is to reach climate neutrality by 2050. To

¹ <https://www.transportenvironment.org/news/biofuels-policies-drive-food-prices-say-over-100-studies>

² <https://www.transportenvironment.org/publications/red-ii-and-advanced-biofuels>

³ <https://www.globalmaritimeforum.org/content/2020/01/Aggregate-investment-for-the-decarbonisation-of-the-shipping-industry.pdf>

prevent this, the EU must discontinue its explicit support to LNG for ships and ensure that the FuelEU initiatives cover all emissions, including methane, and are based on full life-cycle analysis.

The production of sustainable renewable electro-fuels presents enormous economic and employment opportunities. In particular, they can drive investment and create employment in areas such as hydrogen fuel production, European shipbuilding and technology manufacturing, as well as energy transport infrastructure and R&D. Recent research⁴ has shown that there can be sufficient renewable electricity available to meet demand in 2050, but Europe must make the right policy decisions in 2021. These are the sort of investments required to assist Europe's recovery from Covid's economic effects. As representatives of civil society, we are prepared to contribute to a robust and effective legislative outcome. Such a fuels strategy can succeed in decarbonising these sectors, when implemented alongside complementary policies including carbon pricing, efficiency improvements or demand mitigation in a manner appropriate to each sector.

Sincerely,

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<https://ricardo.com/news-and-media/news-and-press/e-fuels-better-focused-on-aviation-and-shipping-rather-than-road-ricardo-report>



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