The Swedish 2030-secretariat vision for European Commission direction on decarbonization of the transport sector.

The Green Deal opens several central directives for revisions. The Green Deal sets, through the Climate law, more ambitious climate targets for 2030. This naturally spills over to the transport sector.

The staff working papers for the Clkimate law projects GHG reduction in the road transport sector by 2030 between 16,4 to 20,7% depending on what scenario is chosen. A clear target, that if anything may have to be increased.

The coming months and years will set the agenda for quite a transformal development, where some of the established concepts need to be revised to allow for more rapid change. Below follow the key points that need to be kept in focus. We look at the 2030 target and backtrack to what this means for todays' revisions of directives.

The Swedish 2030-secretariat is an organization made up of companies, large and small, municipalities and organizations joined in the single aim of securing that Sweden reaches a 70% reduction in $C0_2$ by 2030 in the transport sector. The Secretariat is independent of political parties and technological solutions. On the contrary, we believe we need a large number of technologies and a changed behaviour in order to reach the target. Our strategies are based on the common goal of a decarbonized transport sector by 2030.

In the comments below there are three principles that form the basis of our work with EU legislation.

1. We need many solutions. There is no golden bullet, and technology alone will not be enough. Behaviour, our ability to travel less or with less emissions, will be key to fast reductions in greenhouse gases (GHG). On the contrary, there are problems with all alternative fuels that we need to be aware of. We need to promote the technologies with the largest greenhouse gas savings, and we need to ensure that behaviour and digital solutions take its place at the table. Also, there are new fuels and new solutions coming onto the market, let us not limit innovation.
2. It is all about greenhouse gas reductions. We do not care is a fuel has been named conventional or advanced, or 1^{st}, 2^{nd} or 3^{rd} generation. We look for the GHG potential of the fuel. It is important to be able to distinguish between good biofuels and bad, good electricity and bad, good hydrogen and bad and so on. All alternative fuels can be produced with high emissions, but they can also be produced with very low emissions.
3. In the ILUC directive of 2015, biofuels were given the CO2 burden of other industries. We believe the term Indirect Land Use Change should be exchanged for a more concrete Land Use Change, where a landowner could be awarded financially if they change production methods in a way to decrease GHG emissions.

Summary of revisions of directives according to the Commission work plan for 2021

2020	Details	2021	Details	2022
Climate law	To be approved Q4 2020, trilogue end 2020.	Revision CO2 standards for cars and vans	Proposal from the Commission on June 2021.	Revision CO2 standards for trucks
Sustainable Finance Strategy/Taxonomy	Adoption of the delegated act on climate change mitigation and adaptation under the Taxonomy Regulation	Revision of Energy Taxation Directive	June 2021	
Revised climate target 2030 (heads of state, dec 2020?)	Looks to be presented to heads of state in December 2020. Needs unanimous approval.	Revision of Renewable Energy Directive	2021, probably in June.	
Sustainable and Smart Mobility Strategy	Launched by the Commission in Q4 2020	Revision of the Alternative Fuel Infrastructure Directive	2021	
		Review of State aid guidelines, for environment and energy	The current State Aid Guidelines for Environmental Protection and Energy (EEAG) are valid for the period 2014-2020 and have been formally extended until 31 December 2021. The revision process has started, but is not listed in the Commission Work Programme 2020. This indicates that 2021 will be a crucial year for the finalisation of the revised EEAG, with a public consultation scheduled for the first half of 2021 and the adoption of the revised EEAG scheduled for the second half.	

State Aid Rules

The current State Aid Guidelines for Environmental Protection and Energy (EEAG) are valid for the period 2014-2020 and have been formally extended until 31 December 2021. In paragraph 113 it states:

Whilst investment aid to support food-based biofuel will cease from the date of application of these Guidelines, operating aid to food-based biofuels can only be granted until 2020. Therefore, such aid can only be granted to plants that started operation before 31 December 2013 until the plant is fully depreciated but in any event no later than 2020.

As we noted above, the greenhouse gas potential of a fuel should determine potential aid. Any limitation to “food- or crop based” should be exchanged to tough GHG reduction targets.

Climate law

The Climate Law will probably be approved late in 2020. The staff working paper supporting it outlines ways to reach the target of 55% reduction in climate emissions. The GHG decrease in the transport sector is, depending on strategy chosen, suggested at 16,4-20,7%. However, the strategy builds on the assumptions made in for instance the Renewable Energy Directive with a seven percent cap on so called conventional biofuels. With a higher GHG reduction target, this should be revised.

Renewable Energy Directive

The biggest changes to a detailed and in many ways comprehensive directive are to move away from arbitrary definitions like conventional or 1st generation to straight forward GHG reduction demands (that are already in the directive). Conventional fuels are arbitrarily defined as crop-, sugar and oil based, without any referral to GHG savings. There are crop based fuels with higher GHG savings than some so called advanced fuels.

The second change is to move from indirect land use change to direct land use change. It would allow farmers the possibility to be awarded for doing what is good for the climate.

Thirdly, the renewable energy directive determines a cap on the share of so-called conventional biofuels of 7% of the energy content of the fuel. With higher climate ambitions a cap holds back the possibility to reach higher targets.

Energy Taxation Directive

A delayed revision, overdue with the original directive presented in 2003.

The most important change is to have the directive clearly define that taxes are set on GHG content of a fuel based on energy content.

All sectors (land, air, sea) should be included in the taxation of fuels to allow a transparent comparison.

With taxes incentivises low carbon fuels, there has to be a mechanism ensuring that member states receive taxes even with a high percentage low carbon fuel. It could be a road tax, or a tax on the use of the vehicle. Whether this is delt with through the Energy Taxation Directive or not remains to be seen.

CO2 standards for cars and vans and trucks

The current standards do not take into account if a car, van, buss or truck is produced to run on, and can be sown to run on, low carbon fuels. The proposal includes a dedicated incentive mechanism for zero- and low-emission vehicles, but does not incentivize for other low carbon, or in the case of biogas negative carbon, technologies.

A way forward would be to move to a Well-To-Wheels (WtW) approach, where vehicles and fuels are determined together. The efficiency of the powertrain and the low carbon content of the fuel would then together form the basis for determining climate impact.

Well to Wheels data has been researched by EUs' Joint Research Centre (JRC) and new data will be produced in the near future.

Alternative Fuel Infrastructure Directive

The Alternative Fuels Infrastructure Directive was introduced in 2014 and will be revised in 2021. It sets out guidelines for member states on alternative fuels development for road transport.

The directive needs to be updated and requirements on member countries strengthened.