

POLICY STATEMENT ON THE PROPOSAL FOR A REGULATION ON THE DEPLOYMENT OF ALTERNATIVE FUELS INFRASTRUCTURE (AFIR)

The use of alternative and renewable gaseous fuels and the deployment of the gas road refuelling infrastructure supports the decarbonisation of the transport sector, as it enables the supply and wider deployment of renewable and low-carbon gaseous solutions including biomethane, e-methane, LPG, bioLPG, and rDME across the EU. All these technologies can play a critical role in decarbonising road transport and contributing to the EU's climate objectives, provided that an enabling framework is put in place. 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, GasNaturally is concerned that the established definitions of alternative fuels and the overall lack of ambition for the scalable utilisation of LNG/CNG infrastructure would restrict the deployment of said solutions, and therefore, requires re-consideration.

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 real decarbonisation potential. For example, the definition of renewable fuels remains un-clear and does not clearly cover the entire spectrum of renewable fuels. Additionally, they underestimate the performance of biomethane which can be carbon-neutral or even net negative on its complete lifecycle.

Such narrow definition would also lead to logistical issues, particularly in case of blending of renewable fuels, which risks creating unnecessary obstacles to increasing the shares of renewable fuels. Alternative fuels, such as CNG and LNG, are composed of a blend with an increasing share of biomethane and e-methane. Other alternative fuels with track record of success such as LPG can be increasingly blended with bioLPG and rDME. Increasing uptake of these fuels in the refuelling infrastructure is crucial to accelerate the reduction of GHG emissions of fuels used in road transport.

Overall, these definitions, which are not referenced elsewhere in the text, are unnecessary for fulfilling the objectives of the AFIR. 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.

To enable the utilisation of the whole portfolio of alternative fuels to decarbonise the road transport sector, GasNaturally proposes the following policy recommendations for the prospective framework:

- Keep the scope of the definition of alternative fuels, including LPG, LNG, and CNG, to respect a technology-neutral approach and ensure all alternative fuels and technologies can play a role in decarbonising the EU's transport sector.
- Clarify the definition of alternative fuels to ensure bioLPG and rDME are recognised as renewable fuels which can decarbonise the transport sector.



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.”

Investments in developing alternative infrastructure networks do not create any lock-in effects, as these are strategic long-term assets for the transition towards climate neutral mobility. In essence, the potential of renewable and low-carbon gaseous fuels, such as biomethane and e-methane, to decarbonise road transport requires strong support from the AFIR.

To achieve tangible outcomes on the development of an alternative fuels infrastructure, GasNaturally proposes the following policy recommendations for the prospective framework:

- 🌱 Adequate recognition of the role of CNG/LNG refuelling infrastructure in enabling the supply of multiple renewable and low carbon fuels, like liquified/compressed biomethane and e-methane:
 - ✓ LNG infrastructure should be supported beyond 2025 to accelerate the decarbonisation of the 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.
- 🌱 Targets for CNG and LNG stations need to remain in AFIR, until 2030 (as the network is still insufficient and/or geographically diverse – big areas of Europe are not covered by infrastructure)

General recommendations on the prospective AFIR framework

On top of the above, we recommend the following general considerations for ensuring effective and coherent policy implementation of the pathway towards decarbonisation:

- 🌱 A comprehensive evaluation of AFIR should be carried out by 2027, on the basis of which, the Regulation and its ambitions should be updated to match the demand of alternative fuels.
- 🌱 Consider the social aspects of the energy transition and ensure “no one is left behind” by retaining access to affordable mobility.
- 🌱 Ensure consistency across legislation to provide the right market signal and encourage the uptake of all alternative fuels in Europe.

