

Platform for electromobility comments on review of the EU Renewable Energy Directive in light of the EU Green Deal

In the past years, electricity-based transport technologies, such as electric vehicles (EVs), have significantly developed and decreased in cost. These technological improvements and demonstrated benefits of electrification call for an improvement of the sectoral target for renewable energy in transport to better reflect the positive environmental contribution of electric transport, as part of the envisaged reopening of the Renewable Energy Directive 2018/2001 (RED II). In parallel, EU Member states' National Energy and Climate Plans (NECPs)' pledges show prospects for an accelerated deployment of renewables in the energy mix, and in particular in the electricity system, supporting the decarbonisation of transport along the full lifecycle of the fuel.

While many studies have demonstrated the scope for an increased volume of renewables in transport¹, **it is critical that the Renewable Energy Directive's framework for renewables in transport is revised to accelerate the electrification of the transport sector with renewable electricity generation.**

The Platform therefore recommends introducing an obligation for Member states to introduce fuel-neutral credit trading mechanisms as a mean for obligated fuel suppliers to account for renewable energy used in transport.

The implementation of the RED II, which all Member states (MS) are required to transpose by June 2021, offers a great opportunity to accelerate EV uptake and the efficient penetration of renewable electricity in the transport sector. Yet, most MS still do not allow electromobility to contribute to the achievement of the RES-T target²: most national policies on renewable transport fuels still implement the RED II by means of a blending mandate imposed on the obligated parties, i.e the fuel suppliers. As renewable electricity is not a drop-in fuel that can be blended, it is not properly accounted in RES-T targets, creating a missed opportunity to properly reflect the decarbonisation of transport and not ensuring a level playing field.

The introduction of fuel-neutral credit trading mechanisms could support the adaptation of the RED II framework to the accelerated electrification of transport. Fuel-neutral credit trading mechanisms consist in requiring obligated parties to meet their renewable energy obligations by means of fuel-neutral credits,

¹ Among other studies: the [European Commission Climate Target Plan](#) recommends increasing the target to 24%, 17% of final energy demand in transport will be renewable by 2030 (in final energy demand, without multipliers or subtargets) according to [SolarPower Europe \(2020\). 100% Renewable Energy Europe](#)

² [Transport & Environment \(2019\) Using Renewable electricity in the Renewable Energy Directive](#)

accounted in energy equivalent (kWh, KJ, Gcal or other). In parallel, fuel-neutral credits are allocated by a public authority to defined parties for each energy unit of renewable fuel used in transport. As for electricity, various possibilities exist concerning the party entitled to receive credits (charging station operator, electricity supplier, etc.). Obligated parties can then either acquire fuel-neutral credits by increasing blending in their fuel supply or by procuring credits from third parties through a dedicated platform. Such schemes have already been introduced in the Netherlands, in Germany, in California and in France, and are being elaborated in Canada³. The Platform believes credit revenues shall be used as a leverage to support electromobility in Member States.

Fuel-neutral credit trading mechanisms represent a low hanging fruit that could adequately value the contribution of renewable-based electromobility to the decarbonisation of transport. Importantly, they would also generate resources for the diversity of players in the electromobility sector without weighting on state budgets. For instance, credit revenues could support charging point operators to improve the business case of charging infrastructure and – as a result – accelerate the roll-out of the millions of chargers needed and help the EU reach its objective of establishing 1 million charging points by 2025, as set out by the European Commission in its European Green Deal communication⁴.

Further, future credit trading mechanisms should follow the specific principles below, subject to implementation in Member states:

- **Fuel-neutral credits should be granted for the renewable share of the electricity used in EVs, calculated on the basis of the share of renewable electricity in the national mix as close as possible to real-time.** This would incentivize for a better real-time match between the renewable generation and EV charging.
- **Future credit mechanisms should allow for the accounting of 100% renewable electricity used in transport.** As a principle and as specified in article 27 of the RED II, fuel neutral credits should be granted for the renewable share of the electricity used in EVs, calculated on the basis of the share of renewable electricity in the national mix in the previous maximum two-year period. Yet, Member states should also allow for the accounting of 100% renewable electricity supply to transport, such as electricity supplied through a direct connection to a renewable energy generator or via an innovative supply contract such as Power Purchase Agreement (PPA).
- As most kWhs used by EVs will be charged at home or in the workplace and not at public chargers, **it should also be assessed how future credit trading mechanisms could account for the renewable kWhs charged at home or in the workplace**, which will also enable to maximize the share of electrons captured.

³ On the Dutch, German and Californian example, see [Transport & Environment \(2019\) Using Renewable electricity in the Renewable Energy Directive](#).

The government of Canada is considering establishing a clean fuel standard that will count and credit clean electricity used. Networked charging operators (including utilities operating charging) and, in its 2018 Proposed Regulatory Approach, proposed that automakers be able to participate using vehicle telematics in the crediting system and market. Canada's program is expected to start in 2022. For further information: <https://ww2.arb.ca.gov/resources/documents/lcfs-electricity-and-hydrogen-provisions>

<https://www.emissionsauthority.nl/topics/themes/energy-for-transport>

The French government is designing a crediting system too as part of the revision of its 2021 budget bill, in current article 15. For more information, see http://www.assemblee-nationale.fr/dyn/15/textes/l15b3360_projet-loi

⁴ https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf



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