

**UPEI Answer to European Commission call for evidence on the
Revision of the Regulation setting CO₂ emission standards for new cars and vans.**

9 October 2025.

Executive Summary and Conclusion.

UPEI, the Voice of Europe's independent energy and mobility suppliers, welcomes the opportunity to contribute to the European Commission preparations for the revision of the Regulation establishing emission performance standards for cars and vans, as requested in its review clause.

In terms of “flexibility, simplification and reduction of administrative burden”, we recommend the EU to systematically improve consistency of all relevant legislation, in particular definitions and methodologies) and to keep a scientifically based approach.

In terms of “progress towards achieving 2035 CO₂ emission targets”, we recommend using “net zero instead of “zero” – following the approach of the EU Climate Law - and to introduce a minimum tolerance for taking into account residual emissions when measuring engine emissions.

In terms of “evaluating the role of fuels, based on a technology-neutral approach”, we recommend the introduction in the revised Regulation of

- A technology-inclusive definition of CO₂ neutral fuels based on the Renewable Energy Directive and the Working group on Monitoring Methodologies (WGMM).
- A Carbon Correction Factor that would represent the real CO₂ emissions of fuels, based on life-cycle methodologies, and a first important step to a more holistic climate policy in the European mobility sector.
- A new vehicle category exclusively powered by CO₂ neutral fuels, based on the report of the WGMM, which would put on equal footing all monitoring methodologies.
- The use of the “well to wheel approach”, instead of an approach exclusively based on tailpipe emissions, thus providing realistic results in terms of decarbonisation and a fair level-playing field.

In conclusion, UPEI calls for regulatory coherence and alignment in the treatment of CO₂ neutral fuels across EU legislation and urges the European Commission to ensure a level playing field by harmonising methodologies and embracing a technology-open approach that reflects the roles and responsibilities of both fuel suppliers and vehicle users.

During this preparation and evaluation phase, UPEI remains at the disposal of the European Commission to further detail our position on the revision of the Regulation setting CO₂ emission standards for new cars and vans.

Introduction.

UPEI has read with interest the call for evidence and the questionnaire related to the public consultation published by the European Commission on the revision of Regulation (EU) 2019/631 (as revised in 2023 and 2025), establishing emission performance standards for cars and vans (Light Duty Vehicles or LDVs). While this Regulation is considered by the European Commission as the main instrument to decarbonise light-duty road transport, its implications go well beyond the automotive sector. It will be key in determining future markets for carbon-neutral fuels, thus having a huge impact in the sector that UPEI represents

This revision, expected for the second quarter of 2026, should offer the opportunity to reassess the pathway to decarbonise the sector and ensure that all sustainable solutions are valued, recognising the role of carbon-neutral energy carriers alongside renewables-based electrification. All technologies and powertrains with a proven ability to reduce GHG emissions should be fully recognised and allowed to fairly contribute to decarbonisation efforts. Such solutions, already recognised by EU legislation, include renewable and low-carbon fuels (sustainable biofuels and e-fuels), hydrogen, as well as vehicle technologies like Plug-in Hybrids (PHEVs), Range Extender Electric Vehicles (REEVs), and highly efficient internal-combustion-engine vehicles.

At the same time, to ensure a level playing field the emission savings profile of all technologies under consideration should be evaluated by the same rules. As electromobility ensures zero-emissions in the use phase, then also emissions from renewable and low-carbon fuels for the purpose of the CO2 Regulation should be considered neutral, as either originally absorbed by the biomass during its growth, or recycled, as put forward in the Renewable Energy Directive.

Contribution.

UPEI wishes to contribute to the three aspects identified by the European Commission as main elements for revision, building on the work of the Working Group on Monitoring Methodologies on CO2 emissions (WGMM).

A) Flexibility, simplification and reduction of administrative burden.

UPEI advocates for a more coherent and streamlined regulatory framework across EU legislation governing fuels and energy carriers. This should be achieved through:

1. Systematic consistency across legislation:

To ensure clarity and reduce duplication, EU legislation should be harmonized in terms of:

- **Definitions:** Establish clear, uniform definitions for key terms such as *carbon-neutral fuels*, *eFuels*, *advanced biofuels*, and *sustainable biofuels*. Inconsistent terminology across directives and regulations leads to confusion, compliance challenges, and market fragmentation.
- **Methodologies:** Align measurement and reporting methodologies, particularly regarding:
 - **Well-to-Wheel (WTW) and Tailpipe Emissions:** Ensure these are applied consistently and transparently.

- **Life Cycle Assessments (LCAs):** Promote the adoption of a **cradle-to-grave** approach that captures the full environmental impact of fuels, from production to end-use, enabling more accurate comparisons and informed policy decisions.

2. Simplification without compromising scientific integrity:

While simplification is essential to reduce administrative burden and facilitate implementation, it must not come at the expense of scientific robustness. Regulatory frameworks should:

- Maintain **high-quality data standards** and **transparent methodologies**.
- Ensure that simplification efforts are guided by **scientific consensus** and **technological feasibility**, especially in emissions accounting and sustainability criteria. In this regard, for the future Regulation to deliver meaningful results in terms of GHG reduction, we call for the use of LCA approaches that would allow for the measurement of the **real carbon intensity of vehicles, rather than focusing only on tailpipe emissions**.

3. Flexibility to support innovation and market uptake

Legislation should be designed to:

- Allow for **technological neutrality**, enabling the deployment of a wide range of low-carbon and renewable fuels.
- Provide **adaptive mechanisms** that can accommodate emerging technologies and evolving sustainability standards without requiring frequent legislative overhauls.
- Encourage **streamlined certification and reporting procedures**, particularly for SMEs and new market entrants, to foster innovation and competitiveness.

B) Progress towards achieving 2035 CO₂ emission targets:

UPEI does not question the current climate and energy targets set by the EU, provided that these targets are calculated based on robust Life Cycle Assessments (LCAs). This approach ensures that all emissions—whether direct or indirect—are accounted for in a scientifically sound and equitable manner.

Furthermore, the targets should be complemented or amended with the following elements:

- **Terminological Precision: “Net Zero” vs. “Zero”:** UPEI recommends replacing the term “zero emissions” with “net zero emissions” throughout the revised Regulation to better reflect the scientific reality that no energy carrier or vehicle technology is entirely free of emissions across its full life cycle. This adjustment would enhance transparency and credibility in communication with consumers, industry stakeholders, and policymakers, while fostering a more inclusive regulatory framework that recognizes the climate benefits of low-carbon liquid fuels alongside electrification. Moreover, this terminology is fully aligned with the carbon neutrality objective enshrined in the EU Climate Law, which emphasizes a holistic and life cycle-based approach to greenhouse gas reduction.
- **Introducing a minimum tolerance for residual emissions:** to reflect the practical limitations of current technologies and measurement methodologies, UPEI proposes the introduction of a minimum tolerance threshold for residual emissions—such as 2%—within the revised Regulation. This would acknowledge the inherent complexity of achieving

absolute zero emissions, prevent the penalization of technologies that are close to carbon neutrality but not technically “zero,” and encourage continuous innovation without imposing unrealistic compliance barriers. Such an approach supports a pragmatic and science-based transition, aligned with the EU’s carbon neutrality objective.

- **Equal treatment of all vehicle types:** emission reduction policies must apply consistently across all vehicle types to ensure fairness and effectiveness in achieving climate goals. For electric vehicles (EVs), while tailpipe emissions are zero, upstream emissions—such as those from electricity generation, battery production, and end-of-life disposal—must be accounted for through comprehensive life cycle assessments. Similarly, fuel-powered vehicles, particularly those using renewable and low-carbon fuels, can deliver substantial greenhouse gas reductions when evaluated on a full life cycle basis.

This inclusive and technology-neutral approach ensures that all viable solutions contribute meaningfully to the EU’s climate objectives. It incentivizes innovation across the entire mobility ecosystem and supports policy coherence by avoiding market distortions or regulatory bias. Recognizing the full environmental impact of all vehicle types is essential to building a credible, science-based framework for sustainable transport.

C) Evaluating the role of fuels, based on a technology-neutral approach.

In the call for evidence, the European Commission insists on “*the role eFuels have to play*” and on considering the “*needs of other sectors with fewer decarbonisation alternatives, including maritime and aviation*”. These statements are driving the debate towards narrow paths.

Based on our previous positions and statements, UPEI proposes to include in the revised Regulation:

- **A technology-neutral definition of CO₂ neutral fuels** based on the Renewable Energy Directive and the WGMM: “*CO₂ neutral fuels means all fuels defined by the Renewable Energy Directive (EU) 2018/2001, provided that they meet the sustainability criteria of that Directive and associated delegated acts, where the same amount of CO₂ from biomass, ambient air or recycled carbon sources is bound in the fuel production as is released during combustion in the use phase. Those fuels shall include renewable and/or synthetic fuels, such as biofuel (including HVOs), biogas, biomass fuel, renewable liquid and gaseous transport fuel of non-biological origin (RFNBO) or a recycled carbon fuel (RCF)*”.
- **A Carbon Correction Factor:** if an increasing amount of sustainable renewable fuels is available in the market due to legislation such as the Renewable Energy Directive, we can no longer consider all liquid and gaseous fuels as 100% fossil fuels. To consider the GHG benefits of the share of CO₂ Neutral Fuels available, a Carbon Correction Factor should be introduced. This would represent the real CO₂ emissions of fuels and a first important step to a more holistic climate policy in the European mobility sector. **Importantly, the CCF should be built upon pre-set default values for net-zero carbon fuels**, similar to the methodology used in the Fuel Quality Directive for fossil fuels, ensuring transparency, consistency, and ease of implementation.
- **The set up of a new vehicle category exclusively powered by CO₂ neutral fuels**, based on the report of the Working group on Monitoring Methodologies, that would put on equal footing all monitoring methodologies. The monitoring and verification processes for these

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fuels could rely on EU-wide methodologies and mass balance approaches. In this regard, the report¹ of the [Working Group on Monitoring Methodologies](#) presents a comprehensive assessment of eleven methodologies for monitoring the use of CO₂ neutral fuels in road transport, not excluding other fuels (needed during the transition period or for cars crossing the EU borders).

UPEI calls for regulatory coherence and alignment in the treatment of CO₂ neutral fuels across EU legislation.

The European Commission's proposed Implementing Regulation on emission type approval procedures for light-duty vehicles powered exclusively by CO₂ neutral fuels defines such fuels narrowly as only Renewable Fuels of Non-Biological Origin (RFNBOs), requiring 100% GHG savings based on a "well-to-wheel" methodology. This approach, rooted in the Fuel Quality Directive's default value system, unjustifiably excludes sustainable biofuels—currently the only renewable fuels available at scale and compatible with existing vehicle fleets without additional infrastructure costs.

This definition stands in contrast to the current CO₂ emission standards for light- and heavy-duty vehicles, which rely on a "tailpipe" approach, assessing emissions solely during vehicle use. Evaluating CO₂ neutral fuels under a "well-to-wheel" framework while maintaining a "tailpipe" approach for other technologies, such as electric vehicles, creates a regulatory inconsistency and undermines technological neutrality.

UPEI urges the Commission to ensure a level playing field by harmonizing methodologies and embracing a technology-open approach that reflects the roles and responsibilities of both fuel suppliers and vehicle users.

Contact: Pierre Lucas, Secretary General | +32 2 7402020 | info@upeei.org

UPEI, the voice of Europe's independent energy and mobility suppliers, represents nearly 2,000 European importers and wholesale/retail distributors of energy for the transport and heating sectors, supplying Europe's customers independently of the major energy producers. They are the interface between producers and consumers, using their own infrastructure and flexibility to supply existing demand for conventional and renewable liquid fuels, as well as non-liquid alternatives as part of the energy transition. They cover more than a third of Europe's current demand. The organisation brings together national associations and suppliers across Europe. Independent fuel suppliers bring competition to Europe's energy market and are able to respond rapidly to changes affecting supply, contributing to security on a local, national and regional level. They have developed and maintain a comprehensive infrastructure for the sourcing, storage and distribution of transport and heating fuels, with a commitment to delivering a high-quality service to all consumers, including those in remote areas.

¹ [Monitoring the use of co2 neutral fuels in road transport, a cross-sectoral industry assessment, WGMM, 2024.](#)