

Opinion of the Committee of the Regions on ‘Clean Power for Transport’

(2013/C 280/12)

THE COMMITTEE OF THE REGIONS

- emphasises that the proposal of the Commission cannot be realised solely through changes to transport systems; national energy policy also has a role to play, as Member States will need to opt for a long-term investment policy to develop infrastructure for alternative fuels;
- while setting up deadlines for local infrastructure, the Commission should take into account not only geographic and climate conditions in a given region but also the latest technological developments and research and development efforts, as well as draw up an appropriate schedule so that a common standard can be developed and agreed on;
- emphasises that political decisions must take into account the need for costs to remain affordable for ordinary Europeans, especially at a time when household incomes in many Member States continue to decline;
- requests to involve local and regional authorities in drawing up their country's national transport policy framework and administrative and legal standards, so as to ensure that they can be appropriately applied at local level while taking local conditions into account;
- calls for a balanced energy mix included in national strategy frameworks, as under no circumstances should we swap one kind of dependency (on oil from third countries) for another (natural gas from third countries);
- urges that the standards fixed for infrastructure be based on EU standards, which are entirely in line with international standards; it is important here to avoid having to revise these standards;
- believes that a change in consumer behaviour is of key importance to local and regional authorities, who can influence consumer preferences and choices in their own ways, by introducing concessions for the benefit of consumers;
- notes that infrastructure development requirements for urban or peri-urban infrastructure should be replaced by requirements to be set by the Member States themselves, with the involvement of local and regional authorities.

Rapporteur

Ms Saima KALEV (EE/EA), Member of Jõgeva Municipal Council

Reference documents

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Clean Power for Transport: A European alternative fuels strategy

COM(2013) 17 final

Proposal for a Directive of the European Parliament and of the Council on the deployment of alternative fuels infrastructure

COM(2013) 18 final

I. POLITICAL RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

especially at a time when household incomes in many Member States continue to decline. The same applies to infrastructure and alternative fuel costs;

1. welcomes the proposals set out in the Commission's Communication on "Clean Power for Transport" as an opportunity for implementing the *Resource-efficient Europe* flagship initiative of the Europe 2020 Strategy ⁽¹⁾ and objectives set out in the White Paper on transport policy ⁽²⁾. However the Committee emphasises that this opportunity cannot be realised solely through changes to transport systems; national energy policy also has a role to play, as Member States will need to opt for a long-term investment policy to develop infrastructure for alternative fuels;

2. agrees with the Commission's view that the key question in relation to market roll-out is whether economies of scale and the promotion of alternative fuels across the EU can be ensured. For this to happen, we need a uniform, stable and comprehensive strategy together with an investment-friendly regulatory framework, but this is lacking. In fixing deadlines for setting up local infrastructure, the Commission will therefore have to take into account not only geographic and climate conditions in a given region but also the latest technological developments and research and development efforts. It will need to draw up an appropriate schedule so that a common standard can be developed and agreed on;

3. feels that the deadlines set by the Commission in the directive ⁽³⁾ are too short, given that adoption of the national policy frameworks and the relevant administrative and legislative acts will require cooperation with local and regional authorities together with in-depth national analysis, debate and development of financing solutions;

4. emphasises that political decisions must take into account the need for prices to remain affordable for ordinary Europeans,

Significance and role of the local and regional level

5. notes that the alternative fuel strategy serves the transport policy goal of introducing alternative fuels in all EU Member States, something which significantly affects how transport is organised and used at local and regional level. In this regard, a stronger role for regional and local policies will be crucial to the development of alternative fuels in transport;

6. local and regional authorities should therefore be involved in drawing up their country's national transport policy framework and administrative and legal standards, so as to ensure that they can be appropriately applied at local level while taking local conditions into account, thus guaranteeing that they also contain a policy for alternative fuels, in accordance with the Commission's intent. At the same time, use must be made of existing European initiatives in cities, such as the Covenant of Mayors, in order to guide and strengthen the commitments contained in sustainable energy action plans regarding local alternative fuel systems in transport;

7. feels that, as a body representing local and regional representatives, the Committee should step up and support the consultation and discussion about alternative fuels, in order to ensure cleaner and greener cities and regions. The Committee should also encourage debate on how local and regional authorities can influence people's behaviour and encourage wider use of vehicles powered by alternative fuels;

8. highlights the Commission's view that strong action by the EU to pioneer innovative solutions for alternative fuels will open up new market opportunities for European industry,

⁽¹⁾ COM(2011) 21 final.

⁽²⁾ CdR 101/2011 fin.

⁽³⁾ COM(2013) 18 final.

while ensuring EU competitiveness on global markets and allowing the creation of 700 000 new jobs ⁽⁴⁾. These jobs will be created locally under the jurisdictions of local and regional authorities, which should therefore be given a say on the drawing up of the relevant national strategies,

9. argues that supporting the role of local and regional authorities would enable greater synergies and optimise infrastructure development costs. For example, more decision-making powers and cross-border cooperation would enable use of these facilities;

10. refers to the Committee of the Regions' opinion on the White Paper *Roadmap to a Single European Transport Area* ⁽⁵⁾, and endorses the White Paper's objective of halving the percentage of conventionally fuelled cars by 2030, eliminating them entirely from urban traffic by 2050, and achieving virtually carbon-free urban traffic in major urban centres by 2030;

Dependence on energy from third countries

11. calls on the Commission to emphasise in this proposal for a directive that in order to address one of its main concerns — ensuring independence from oil — the national strategy frameworks should contain a balanced energy mix. Under no circumstances should we swap one kind of dependency (on oil from third countries) for another (natural gas from third countries). The proposal for diversifying energy sources for alternative fuels should take account of various raw materials needed to produce such fuels and available to local and regional authorities;

Financing from existing EU funds

12. is concerned that application of the proposal for a directive could lead to financial bottlenecks, even if some of the activity is funded by Horizon 2020, TEN-T, or the private sector. In future it should also be possible to use cohesion policy funding to finance local and regional policy measures to promote clean transport policy. Investment needs at both EU and at national level should be considered when planning expenditure for the next funding period;

13. is concerned about the funding of cross-border alliances, given that on 8 February 2013 the European Council reached an agreement on the next multiannual financial framework ⁽⁶⁾ and EU budget priorities for 2014–2020 that envisages a cut in funding for cross-border cooperation;

14. great care must be taken to ensure that the policies introduced by the Member States do not create a border effect as a result of regional inequality. The Committee

therefore recommends providing minimum mitigation arrangements (e.g. in freight transport, setting up priority corridors for alternative fuels, to be co-financed with EC funds);

15. points out that in its view ⁽⁷⁾ infrastructure investment may be needed even in more developed regions in areas where basic public services are provided — including the environment and transport — notably in conjunction with the Commission's proposal to increase the use of alternative fuels in the transport sector. In terms of possible funding and financing, the European Investment Bank is a key partner in launching investments, providing technical assistance and financing investments with support from EIP loans;

16. emphasises that forecasts of investment needs should be realistic and comprehensive, and funding options from various EU funds and within thematic objectives for 2014–2020 should be presented clearly and coherently, together with links to be developed with future smart specialisation strategies;

17. argues that in the medium to long term users should pay for recharging and refuelling infrastructure. Public subsidies should only be used to get the ball rolling;

Common standards

18. agrees that the lack of harmonised development of alternative fuels infrastructure across the Union prevents the development of economies of scale on the supply side and EU-wide mobility on the demand side. In order to break this vicious circle, the Commission must prioritise the development of new infrastructure networks;

19. points out that the Committee has already welcomed and backed the "Roadmap to a Single European Transport Area — Towards a Competitive and Resource Efficient Transport System" ⁽⁸⁾ and the action plan set out in it. That document proposed setting appropriate CO₂ exhaust standards for all vehicles powered by clean fuels and drawing up guidelines and standards for a green filling-station infrastructure;

20. agrees with the Commission that uniform technical standards are needed to ensure market penetration, economic growth and widespread use of alternative fuels in the European Union, and notes that such solutions must be found quickly, but with an understanding of the economic needs of each Member State. The Committee emphasises that when calculating deadlines for infrastructure development, the Commission should allow more time for drawing up, and for adopting and implementing, common standards than is envisaged by the directive;

⁽⁴⁾ COM(2013) 17 final.

⁽⁵⁾ CdR 101/2011 fin.

⁽⁶⁾ CdR 2182/2012 fin.

⁽⁷⁾ CdR 5/2012 fin.

⁽⁸⁾ COM(2011) 144 final.

21. urges that the standards fixed for infrastructure be based on EU standards, which are entirely in line with international standards; it is important here to avoid having to revise these standards. The Committee believes that the right laid down in the Commission proposal to use delegated acts to amend the technical requirements for recharging and refuelling points creates uncertainty for investors, industry and consumers when it comes to financing long-term investment;

22. points out that the infrastructure standards must be economically appropriate and compatible with existing investment and the vehicles that are already on the market while acknowledging the fact that economies of scale in small Member States, regions and localities may not result in cost-effective deployment of a variety of alternative fuels;

23. points out that the strategic framework must contain information requirements, as well as policy and regulatory measures for carrying out scientific studies and setting both objectives and provisions for cooperation with other Member States, in order to ensure a uniform infrastructure and free movement of people and goods across the EU;

24. endorses the intention of including all possible options in the strategy while respecting the principle of technological neutrality, without giving special preference to any particular fuel, while requiring that common technical specifications should be in place for these options; also notes that it is important to frame and to implement effective criteria for the sustainability of biofuels. The commercial availability of second-generation biofuels must be ensured so as not to upset the natural balance of environment, food supplies and the market, or social equity, as the CoR has noted in earlier statements and opinions ⁽⁹⁾;

25. considers that requirements for shipping should comply with IMO rules;

Private sector involvement

26. emphasises that private sector involvement in financing infrastructure is urgently needed, because companies are among the main potential beneficiaries of this directive: they are being given the prospect of manufacturing and selling new products, whereby they will develop and use a new infrastructure for alternative fuels;

27. points out that attention must be paid when implementing the Commission's proposals to ensure minimum

harm to the free market and competition. Incentives must be created for private companies and existing risks and concerns must be removed;

28. in order to remove barriers and reduce costs, it is recommended to reach agreement between public bodies and service station operators, to increase the use of alternative fuels, so as to ensure that use is made of existing distribution infrastructure, such as multi-energy, thereby preventing the duplication of such infrastructure;

Measurable results

29. welcomes the Commission intention to control national policy decisions, but given that this proposal for a directive is first and foremost intended to reduce greenhouse gas emissions and dependence on oil, the Member States should present in their national policy measure packages not just indicators relating to infrastructure for alternative fuels, but also the anticipated results — both for reducing emissions and for reducing oil dependence and introducing alternative fuels. These results should be presented at the scale of the relevant local and regional territorial units in order to assess any internal asymmetries within each Member State;

30. considers that the measurement of results must be based on comparable indicators and demonstrate the efficiency/sustainability of energy production and consumption (lifecycle/lifetime of the fuel) as broadly as possible — not just in relation to reducing carbon emissions;

Pollution from fuel production

31. calls on the Commission to stress in its proposal for a directive that in pursuing the main objective — i.e. reduction in greenhouse gases — it is necessary to identify which energy sources it is most appropriate to use. The point of this is to avoid the reduction in transport emissions being paid for by higher greenhouse gas emissions as a result of electricity production or by some other type of environmental pollution;

32. welcomes the adherence to the principle of technological neutrality. Although all alternative fuels must be addressed in the strategy, energy efficiency, environmental performance (renewable energy), economic (political) autonomy, security of supply and social issues must also be regarded as key factors;

Rural and sparsely populated areas

33. stresses that the transition from oil-based fuels to alternative fuels is also important for rural areas — perhaps even more important given their low population density. This means that the Member States must take rural areas into account when

⁽⁹⁾ CdR 160/2008 fin.

planning their national policy approach and draw up strategies that provide the necessary infrastructure that will ensure both successful transition to use of alternative fuels and the exploitation of indigenous resources that are capable of supplying such fuels. Sparsely populated areas can face the same problems as rural areas and should therefore receive particular attention;

Urban transport

34. notes that the transition to a more sustainable transport policy is a key aspect of urban transport ⁽¹⁰⁾, as the Committee has pointed out in previous opinions;

35. points out that in cities and conurbations, alternative fuel vehicles should not be used at the expense of public transport. Rather than generating more private car traffic, the aim should be to develop more facilities to encourage the change to environmental transport modes, in particular to complement public transport;

36. suggests that the CoR could reinforce and support consultation and exchanges of experience on the use of alternative fuels in urban transport so as to ensure cleaner and more environment-friendly cities;

37. points out that the Committee has already spoken out in favour of drawing up urban mobility plans, which could be supported by the European Regional Development Fund (ERDF) ⁽¹¹⁾ in the future;

38. points out that a European alternative fuel strategy is a great opportunity to bolster both cycling and local public transport. Electromobility strategies must therefore explicitly involve cycling and public transport;

39. is convinced that hybrid vehicles and above electric cars have the greatest immediate potential for use in urban areas, without overlooking vehicles powered by hydrogen technology-based systems. Cities should therefore have the right to regulate their use with their own measures and incentives (green wave, the right to use lanes reserved for local public transport, lower parking fees, etc.). Tried and tested procedures should be exchanged between cities to try and achieve a better urban

quality of life and thus also motivate consumers to make more use of vehicles powered by alternative energy sources;

40. expects that greater use of vehicles powered by alternative fuels will also lead to an increased production of those cars and the creation of jobs in this sector; refers in this context to its opinion on "Cars 2020";

41. welcomes the continuing development of intelligent transport systems (ITS) and technologies at European level and their use at local level to ensure synergies between different systems across the EU, avoid lacunae and guarantee full coverage, including in relation to alternative fuels;

Changing consumer behaviour

42. points out that the establishment of alternative fuels in the EU can be expected to bring about a change in consumer behaviour by encouraging the use of vehicles powered by alternative fuels. Awareness-raising campaigns are needed here to explain the changes and their potential impact to consumers;

43. believes that a change in consumer behaviour is of key importance to local and regional authorities, who can influence consumer preferences and choices in their own ways, by introducing concessions in addition to those to be created by the Member States (for the benefit of consumers) for choosing more sustainable forms of transport. Consumers must be able to see in practical terms what advantages the changes have for them;

Fuel-efficient engines

44. notes that a number of studies ⁽¹²⁾ indicate that use of fuel-efficient engines in combination with hybrid engines can help to reduce greenhouse gas emissions. The Committee recognises the ambitious and far-reaching efforts of the Commission to effect changes and promote the use of new types of fuel. It could nevertheless be worth considering using such engines for a transitional period;

45. shares the Commission's view that continually improving the energy efficiency of vehicles, together with the use of alternative fuels, must play a key role in ensuring the economic viability of the whole policy area of alternative fuels and avoiding CO₂ emissions;

⁽¹⁰⁾ CdR 650/2012 fin.

⁽¹¹⁾ CdR 5/2012 fin.

⁽¹²⁾ The Polish Institute for Structural Research in Warsaw conducted several studies in January 2013.

Producers/consumers to support the use of alternative fuels

46. notes that in the absence of a generally acceptable solution there should be different approaches to developing the use of alternative fuels. For example, involving consumers in the energy network (production, storage, consumption) could offer a means (in law) of meeting increasing energy needs on the one hand and managing the transition from carbon-based energy sources to renewables on the other;

Science and research

47. commends the Commission's close cooperation with business, authorities and civil society representatives when drawing up this legislation and welcomes the EU's long-established investment in research and development in the sphere of alternative fuels. The Committee believes that these consultations should be continued, however, and that further investment in research is needed, since many questions must be resolved more explicitly, efficiently and quickly if the objectives are to be achieved;

48. points out that it has already indicated in a previous opinion on the subject of renewable energy⁽¹³⁾ that funding of research and development is vital to spur innovation and

technological development. Development of new materials for producing and storing energy is also particularly important in relation to clean energy and transport;

Subsidiarity and proportionality

49. agrees that new technologies — which are also clean transport technologies — are capital-intensive. Activities at EU level must therefore be geared towards developing minimum infrastructure and preventing market fragmentation. The Commission proposal for a clean energy package with EU-wide common technical specifications and minimum infrastructure requirements to ensure the circular economy for alternative fuels across the EU is thus in line with the subsidiarity and proportionality principles;

50. notes that infrastructure development requirements (number of recharging and refuelling points) for urban or peri-urban infrastructure should be replaced by requirements to be set by the Member States themselves, with the involvement of local and regional authorities, since there is no evidence at the moment of clear development policies for alternative fuels, of a change in consumer behaviour or of financing options for infrastructure development.

II. RECOMMENDED AMENDMENTS

Amendment 1

Recital 10

Text proposed by the Commission	CoR amendment
The lack of harmonised development of alternative fuels infrastructure across the Union prevents the development of economies of scale on the supply side and EU-wide mobility on the demand side. New infrastructure networks need to be built up, in particular for electricity, hydrogen, and natural gas (LNG and CNG).	The lack of harmonised development of alternative fuels infrastructure across the Union prevents the development of economies of scale on the supply side and EU-wide mobility on the demand side. <u>Taking technological developments, climate impact and cost into account, new</u> New infrastructure networks need to be built up, in particular for electricity, hydrogen, and natural gas (LNG and CNG).

Reason

The measures referred to in the Commission proposal support the achievement of environment targets for reducing greenhouse gas and pollutant emissions from transport, which present a serious challenge and real problem for the EU as a whole. There are currently a number of technologies based on alternative fuels still in the development phase or whose development is nearly complete, which means that they are expensive.

⁽¹³⁾ CdR 2182/2012 fin.

Amendment 2

Article 3(1)

National policy frameworks

Text proposed by the Commission	CoR amendment
Each Member State shall adopt a national policy framework for the market development of alternative fuels and their infrastructure, that will include information listed in Annex I, and contain at least the following elements:	Each Member State shall adopt a national policy framework for the market development of alternative fuels and their infrastructure, that will include information listed in Annex I, and contain at least the following elements:
— assessment of the state and future development of alternative fuels;	— assessment of the state and future development of alternative fuels;
— assessment of the trans-border continuity of the infrastructure coverage for alternative fuels;	— assessment of the trans-border continuity of the infrastructure coverage for alternative fuels;
— the regulatory framework to support the build-up of alternative fuels infrastructure;	— the regulatory framework to support the build-up of alternative fuels infrastructure;
— policy measures to support the implementation of the national policy framework;	— policy measures to support the implementation of the national policy framework;
— deployment and manufacturing support measures;	— deployment and manufacturing support measures;
— research, technological development and demonstration support;	— research, technological development and demonstration support;
— targets for the deployment of alternative fuels;	— targets for the deployment of alternative fuels;
— number of alternative fuel vehicles expected by 2020;	— number of alternative fuel vehicles expected by 2020;
— assessment of the need for LNG refuelling points in ports outside the TEN-T core network that are important for vessels not engaged in transport operations, in particular fishing vessels;	— assessment of the need for LNG refuelling points in ports outside the TEN-T core network that are important for vessels not engaged in transport operations, in particular fishing vessels;
— where appropriate, cooperation arrangements with other Member States according to the second paragraph.	— where appropriate, cooperation arrangements with other Member States according to the second paragraph.;
	— <u>the anticipated results of reducing emissions and dependence on oil, and the impact of using alternative fuels.</u>

Reason

Indent added at the end: measurement of results must be based on comparable indicators and demonstrate the efficiency and sustainability of energy production and consumption as broadly as possible, not just in relation to reducing CO₂ emissions (lifecycle/lifetime of the fuel).

Amendment 3

Article 3(5)

National strategic framework

Text proposed by the Commission	CoR amendment
Member States shall notify their national policy frameworks to the Commission [within 18 months from the date of entry into force of this Directive].	Member States shall notify their national policy frameworks to the Commission [within 18 months <u>two years</u> from the date of entry into force of this Directive].

Reason

This is about planning long-term investment, for which a sustainable financing mechanism must be found, which means that a thorough analysis is needed at national level in which stakeholders and administrative agreements are taken into account.

Amendment 4

Article 3(7)

National strategic framework

Text proposed by the Commission	CoR amendment
The Commission shall be empowered to adopt delegated acts in accordance with Article 8 to modify the list of elements provided for in paragraph 1 and information set out in Annex I.	The Commission shall be empowered to adopt delegated acts <u>with the list of elements provided for in paragraph 1</u> in accordance with Article 8 with to modify the list of elements provided for in paragraph 1 and information set out in Annex I.

Reason

The directive stipulates that the Commission has the right to amend the technical specifications, including standards for recharging and refuelling points, in delegated acts. This contradicts the general spirit of the directive, which is intended to provide long-term certainty for investors investing in infrastructure, and for industry and consumers. The European Parliament, Council and the Member States thus lose control over the common standards and so there is no investment certainty.

Amendment 5

Article 4(1)

Electricity supply for transport

Text proposed by the Commission	CoR amendment
Member States shall ensure that a minimum number of recharging points for electric vehicles are put into place, at least the number given in the table in Annex II, by 31 December 2020 at the latest.	Member States shall ensure that a minimum number of recharging points for electric vehicles, <u>to be agreed at national level taking into account the conditions in the different areas of the Member States, are put into place</u> at least the number given in the table in Annex II, by 31 December 2020 at the latest.

Reason

Instead of a mandatory number of recharging and refuelling points being set in the directive, the Member States could stipulate the relevant targets themselves in their strategy frameworks. This would allow the particular situations of the Member States to be taken into account, for instance financing options, technological development and consumer preferences.

Amendment 6

Article 4(6)

Electricity supply for transport

Text proposed by the Commission	CoR amendment
All publicly accessible recharging points for electric vehicles shall be equipped with intelligent metering systems as defined in Article 2(28) of Directive 2012/27/EU and respect the requirements laid down in Article 9(2) of that Directive.	All publicly accessible recharging points for electric vehicles shall be <u>ready to be</u> equipped with intelligent metering systems as defined in Article 2(28) of Directive 2012/27/EU and respect the requirements laid down in Article 9(2) of that Directive.

Amendment 7

Article 11(1)

Implementation

Text proposed by the Commission	CoR amendment
Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [18 months from the date of the entry into force of this Directive]. They shall forthwith inform the Commission thereof.	Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [18 months <u>three years</u> from the date of the entry into force of this Directive]. They shall forthwith inform the Commission thereof.

Reason

Three years is a reasonable deadline for transposing the relevant directive into national legislation. It must be remembered that once the directive has been adopted, a national strategic framework has to be adopted in each Member State.

Brussels, 4 July 2013.

*The President
of the Committee of the Regions*
Ramón Luis VALCÁRCEL SISO
