From: [redacted] (MOVE)
To: [redacted]
Cc: [redacted] (MOVE);
Subject: RE: Meeting DG MOVE / FuelsEurope / Concawe on Concawe"s assessment of Fit for 55 - Slides and additional detailed information
Date: Tuesday 24 May 2022 17:19:21
Attachments: image001.gif

Dear [redacted],

We would like to thank you for the nice and interactive exchange, and for sharing the slides. Sorry for the late reply – it is an extremely busy period.

Let me reiterate, as already mentioned at the meeting, that there is no gap and the MIX scenario shows how the cap is met.

The measures assumed in the MIX scenario (including for transport and buildings) are explained in Annex 4 (sections 8.5.2 and 8.5.3) of the impact assessment accompanying the revision of the ETS Directive: EUR-Lex - 52021SC0601 - EN - EUR-Lex (europa.eu). Some additional results of the MIX scenario are provided in section 8.5.4 of the same impact assessment, in addition to those provided at: Excel files for MIX scenario (europa.eu)

Finally, the technology assumptions (for all sectors) underpinning the modelling have been consulted with stakeholders and are available at: EU Reference Scenario 2020 (europa.eu) (see the link "technological assumptions" and Annex III of the "EU Reference Scenario 2020 report").

We hope you find this information useful.

Best regards,

[redacted]

European Commission
Directorate General Mobility and Transport
Unit A3 – Economic analysis & better regulation

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From: [redacted]@fuelseurope.eu>
Sent: Thursday, April 14, 2022 4:54 PM
To: [redacted] (MOVE) [redacted]@ec.europa.eu>
Cc: [redacted] (MOVE) [redacted]@ec.europa.eu>; [redacted] @concawe.eu>; [redacted] @fuelseurope.eu>; [redacted] @concawe.eu>; [redacted]

[redacted]@fuelseurope.eu>
Subject: Meeting DG MOVE / FuelsEurope / Concawe on Concawe's assessment of Fit for 55 - Slides and additional detailed information

Dear [redacted],

First of all, on behalf of both Concawe and FuelsEurope, thank you very much to the DG MOVE team for the really nice and interactive exchange of views we had on 1st of April on the FitFor55 package and the key considerations behind our respective modelling assumptions.

It was extremely appreciated and insightful so following-up on that conversation, we are now pleased to share with you:

- **Concawe's modelling on FitFor55 for transport: summary slides**
  The slides we presented with the key aspects / summary of Concawe's modelling on the different packages.
  Please, as mentioned, note that the terminology we use to refer to our "baseline" scenario is different to yours.
  For the shake of clarity, our **baseline** includes the energy demand and fuel mix estimate as a consequence of modelling (See slide #2): Activity levels, energy efficiency gains, FitFor55 package elements (CO_2 standards in LDV, FuelEU Maritime, ReFuelEU Aviation), penetration of alternative powertrains/fuels (Intermediate targets (FF55) plus volumes for drop-in fuels based on what the industry could potentially deployed by 2030 (Concawe Scenarios)).

- **Additional slides /detailed information and comparison with the MIX scenario**
  Following your nice suggestions, we have included additional slides with some of the key detailed assumptions behind Concawe's modelling that could help you in the comparison with the EU COM's assumptions.
  Those slides are labelled as "additional info" and include extra info extracted from our fleet (and fuel) modelling (e.g. composition of new sales for light commercial vehicle and heavy duty, energy efficiency assumptions per powertrain, assumptions on activity level, etc as well as comparison with the data available in the MIX scenario, including some references to the modal shift).
  For your info, we have also included a reference to the analysis we did on 2030 demand for aviation (and the rational behind our assumptions).

- **Some reactions / question marks regarding how to close the identified gap in the ETS Road and Building**
  As you will notice, we have not been able to compare all assumptions vs the MIX scenario, as many are not made available, but all in all:
  - We feel that **EU and Concawe's modelling are pretty aligned in many aspects** (e.g. activity levels) whereas maybe, some differences from energy efficiency assumptions could explain part of the difference in estimated demand for road.
  - The differences we have managed to observe are not able to explain the gap we identified for Road transport vs the cap in the ETS road and

building (it made them smaller though but still significant).
It is difficult to conduct a whole analysis as most of the details are not available **so any additional inputs from your side when reviewing these slides** – within the limits of what you can share, of course - **would be extremely helpful**.

Based on the above:

- We still struggle to understand what measures would be needed / put in place (additional reduction in modelled activity levels?) that could ensure that the gap will be closed in the future with some big uncertainties about the social and economic implications behind.
- We also have some question marks about the potential role that buildings can play here when closing the gap in the ETS Road and Building so any additional inputs or feedback from your side in this regard would be also very much appreciated!
  E.g. Is there any public analysis on the potential and related abatement cost for buildings at European level that could help us understand the assumptions here?

We hope you find all this conversation as valuable as we do to inform the discussions and understand how the climate objectives can be met in the best plausible manner.

Both Concawe and FuelsEurope remain at your disposal for any follow-up meeting on this relevant subject.

Looking forward to continuing the conversations with you in the close future.

Best regards,

[redacted]

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