Brussels, 23rd March 2023

Industry letter on AFIR targets for deployment of alternative fuels infrastructure for road transport

Dear Swedish Presidency of the Council,

Dear Ministers,

Dear MEP Ismail Ertug,

Dear EU Commissioner Adina-Ioana Valean,

Dear Members of the European Parliament TRAN Committee,

We, the signatories of this letter, are closely following the ongoing trilogue discussions on the Alternative Fuels Infrastructure Regulation (AFIR) between the European institutions, and we are concerned about the lack of progress made, especially on Articles 3, 4 and 6, covering the minimal national binding targets for both battery recharging and hydrogen refuelling infrastructures.

We reiterate our call on **Member States, the European Parliament, and the European Commission, to swiftly come to an agreement on the proposal and show the necessary ambition and legal certainty for the industry to move forward**. The final agreement must retain the high ambitions on deployment targets for both infrastructures and support minimal national targets as proposed by the European Parliament. Only this level of ambition would ensure the timely deployment of sufficiently dense infrastructure networks to support the roll-out of fleets of zero emission road vehicles.

The industry is scaling up the production of battery electric and hydrogen-powered passenger and heavy goods vehicles and is relying on negotiators to finalize the discussions and support ambitious targets for the deployment of both infrastructures. If we want to achieve the EU emission reduction targets in road transport by 2030 and 2050, we **must maximise the potential of both types of recharging and refuelling infrastructure. It can only be one and the other and not simply one or the other.** A 100% scenario for any of the available technologies is not suitable for long term sustainable change. Therefore, we **must avoid any kind of trade-off between targets for deployment of hydrogen refuelling and electric recharging infrastructure.** On the contrary, high ambition for both should be the way forward, as the two technologies are complementary.

The benefits of complementarity[1] and the enormous costs of "silver bullet" solutions for the national budgets and transport industry have been extensively documented in recent independent studies. The Clean Hydrogen Partnership estimated that **a 100% full electric scenario would require 3 to 5 trillion Euros more by 2050 than the deployment of two parallel infrastructures[2]**. For hydrogen refuelling stations, the studies are showing a linear investment curve with scalability, compared to deployment of electric recharging stations, where an exponential increase of cost is expected with scalability. The financial impact on Member States and investors into alternative fuels infrastructure clearly demonstrates that a combined scenario as the best solution to meet our sustainable mobility needs.[3]

By deploying both hydrogen powered and battery electric vehicles, we will achieve **significant advantages in securing the European strategic independency in relation to imports and sourcing of critical raw materials**[4]. Original Equipment Manufacturers (OEMs) have already started series production of battery electric vehicles, with hydrogen-powered heavy goods vehicles to follow next

[1] FVV, *The Transformation of Mobility to the GHG-neutral Post-fossil Age – Final Report*, October 2021

[2] Clean Hydrogen Partnership, *The Road to Net Zero*, August 2022

[3] Forschungszentrum Jülich, *Comparative Analysis of Infrastructures: Hydrogen Fueling and Electric Charging of Vehicles*, July 2018

[4] Hydrogen Council, *Roadmap Towards Zero Emission – The Complementary Role of BEVs and FCEVs*, September 2021

year.[5] This proves that the interest in both technologies is much higher than what is being recognized by the national governments in their position on AFIR adopted on 2 June 2022.[6] **Only if a sufficiently dense infrastructure for refuelling and recharging is deployed beforehand will alternatively powered vehicles be able to circulate on European roads.**

By February 2023, already more than 13 million alternative fuelled passenger cars were registered in EU27[7], with deployment and R&D of new models advancing at an accelerated pace.[8] In the heavy goods segment, zero-emission vehicles are already in operation in different Member States, also thanks to EU-funded projects and private initiatives. While the running fleet is still small, it continues to grow massively.

The industry is committed to providing the right vehicles to decarbonise Europe's Road transport sector, but it heavily depends on supportive enabling conditions that include the charging and refuelling infrastructure suitable for all vehicle segments. We therefore call on the three institutions to accelerate the decision-making process and swiftly conclude the trilogue discussions with the adoption of an ambitious AFIR position that reflects the fast-growing demand for zero-emission mobility. By doing so you will promote the commercialization and use of a new generation of zero-emission road vehicles running on both hydrogen and battery electric technologies and contribute to the overall reduction of emissions from the sector. **Transferring from legislation to deployment takes time and it is crucial to have a dense network of infrastructure for hydrogen refuelling and electricity recharging deployed as soon as possible.**

The industry is committed to contributing its part in the transition to decarbonisation but depends on a comprehensive and effective legislative framework, which includes a high level of ambition in AFIR.

[5] Hydrogen Europe, ACEA, *Joint letter on AFIR*, December 2022
[6] Council of the EU, *General Approach on the Alternative Fuels Infrastructure Regulation*, June 2022
[7] European Commission, *Alternative Fuels Observatory*, February 2023
[8] See BMW, *Launch of the BMW iX5 Hydrogen Pilot Fleet*, February 2023


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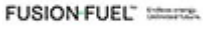
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