



Brussels, 19 November 2021
(OR. en)

13896/21

**Interinstitutional File:
2021/0223(COD)**

**TRANS 673
CLIMA 373
ECOFIN 1090
AVIATION 282
MAR 212
ENV 875
ENER 494
CODEC 1473
IND 347
COMPET 818**

REPORT

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. prev. doc.:	ST 12495/21 + REV1
No. Cion doc.:	COM(2021) 559 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU of the European Parliament and of the Council - Progress report/Policy debate

The Presidency has foreseen a progress report and policy debate for the TTE Council (Transport) of 9 December 2021 on the above proposal. In order to inform Ministers about the progress made to date and to steer a discussion on the next steps, the Presidency has prepared a progress report (Annex I) and questions for the policy debate (Annex II).

The Permanent Representatives Committee/Council is invited to take note of the progress report set out in Annex I. The Council is invited to address the issues set out in Annex II.

I. INTRODUCTION

The Commission submitted the proposal for a Regulation on the deployment of alternative fuels infrastructure (AFIR) to the European Parliament and to the Council on 14 July 2021 as part of the ‘Fit for 55’ package¹ aimed at making the EU's climate, energy, land use, transport and taxation policies fit for achieving the EU target of a net domestic reduction of at least 55% in greenhouse gas emissions by 2030 compared to 1990.

The objective of the ‘Fit for 55’ package is to deliver on the targets agreed in the European Climate Law² so as to fundamentally transform the economy and society for a fairer, greener and more prosperous future. Reducing emissions in the next decade is crucial to Europe becoming the world's first climate-neutral continent by 2050 and making the European Green Deal a reality.

In order to reach the goal of putting the EU on a path to becoming climate neutral by 2050, a reduction of approximately 90% emissions in transport would be needed. The above proposal would play a pivotal role in this transformation, since its main objective is to support a union wide deployment of publicly accessible recharging and refueling infrastructure for alternative fuels in road transport, aviation and waterborne sector.

The objective of this proposal is threefold:

- (i) to ensure that there is a sufficient infrastructure network for the (re)charging or (re)fuelling of road vehicles or vessels with alternative fuels;
- (ii) to provide alternatives to the use of on-board engines (powered by fossil fuels) for vessels at berth or stationary aircraft, and
- (iii) to ensure full interoperability and user friendliness of the infrastructure.

¹ The package consists of twelve Commission proposals in the field of energy, environment, taxation, trade and transport; additional proposals in the field of energy policy are still expected before the end of this year. Three legislative proposals are directly related to transport policies: the above proposal, ReFuel Aviation and FuelEU Maritime.

² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’) (OJ L 243, 9.7.2021).

The above proposal has interlinkages with other proposals of the ‘Fit for 55’ package. In particular, this proposal is strongly interlinked to the proposal for revising the Regulation on CO2 emission performance standards for cars and vans and the proposal for revising the Regulation on CO2 emission performance standards for heavy-duty vehicles, which is foreseen for 2022. e. The pace of deployment of the (re)charging pools and (re)fuelling stations as well as their interoperability and user friendliness will influence the uptake of zero- and low-emission vehicles. At the same time, AFIR has linkages to FuelEU maritime, but is also of relevance to emission reduction in aviation. Moreover, the proposal defines alternative fuels in coherence with the provisions of the proposal for the revision of the Renewable Energy Directive.

II. WORK AT OTHER INSTITUTIONS

The European Parliament has designated the Committee on Transport and Tourism (TRAN) as the committee responsible for this proposal and Mr Ismail Ertug (DE, S&D) as the rapporteur.

The European Economic and Social Committee and the Committee of the Regions have not adopted their opinions on the proposal yet.

III. WORK WITHIN THE COUNCIL AND ITS PREPARATORY BODIES

During the Slovenian Presidency, a significant number of meetings at the level of the Working Party on Intermodal Questions and Networks have dealt with the above proposal. To date, fourteen meetings have been fully or partially devoted to the examination of the impact assessment, an article-by-article examination of the proposal and the examination and discussion on a consolidated Presidency compromise³.

Additionally, the AFIR proposal was addressed in the framework of a broader exchange of views on the three transport-related files of the ‘Fit for 55’ package which has been held at the meeting of the Permanent Representatives Committee on 12 November 2021.

The topic of infrastructure for alternative fuels was also addressed at the informal ministerial meeting in Slovenia in September 2021.

³ ST 12495/21

The Slovenian Presidency also prepared report ST 13977/21 aiming to provide an overall state of play and overview of progress made not only on this proposal but overall on the "Fit for 55" package. The report focuses on its horizontal aspects, such as interlinkages between proposals, and the main issues raised in discussions so far. This report has been distributed to all Council formations responsible for the different proposals of the package as a background document.

IV. MAIN POLITICAL ISSUES AND PROGRESS

The discussion has shown a broad support to the objectives and principle approach of the proposal. However, it has also shown that the proposal is complex because of technical aspects and different political points of view. Also because certain aspects rely on future developments that are not always easy to anticipate to their full extent as for example the definition of urban nodes in the expected revision of TEN-T regulation. Therefore, further time is needed for its proper examination.

The examination of the proposal has shown that it is important to ensure that users can be sure of the capacity and availability of sufficient infrastructure for alternative fuels before they decide to buy and use alternatively fuelled vehicles or vessels. The deployment of (re)charging or (re)fuelling infrastructure needs to be accelerated to follow the expected speed of sales of such vehicles and vessels, otherwise those vehicles and vessels will not be marketable and their uptake will be delayed. It is equally important to provide clean alternatives for fossil fuel-powered vessels at berth in ports and for aircraft in commercial use stationary at gates or at outfield positions.

The examination further shows that more time is required to fully analyse the details of the proposal on the basis of all supporting studies that are not yet publicly available. Furthermore, more work is needed to fine-tune technical requirements and to get a better view on the development of future standards in particular as to better understand future developments in the market of road transport vehicles in the heavy-duty segment.

Different possibilities as regards ad-hoc payments and roaming have been discussed. Ad-hoc payment is seen as an important function that should be available at recharging points, and could complement the contract-based payments for recharging and refuelling on publicly accessible infrastructure.

Member States understand the importance of monitoring the developments, both of the current and the future technologies. This will also be important for deciding when and how the legislation would need to be updated in view of market development and technological innovations. Still, it will be important to find a balance between the level of detail of such national policy frameworks and the frequency of their updates.

V. CONCLUSIONS

Based on the work carried out so far, the Presidency draws the following conclusions:

1. Member States generally agree with the objectives of the proposal.
2. However, specific aspects needs further work and consideration:
 - specific circumstances in Member States, related to traffic density and geographical coverage;
 - the level of ambition for each of the traffic modes and the different segments;
 - requirements for payments services, both for recharging and refuelling of road transport vehicles;
 - the national policy frameworks and how to ensure the added value of reporting on these plans;
3. While the Presidency considers that the first compromise text is an important step, further work is therefore necessary, in order to make substantial progress on this proposal.

In the light of the above, the Permanent Representatives Committee and the Council are invited to take note of this progress report made on the work regarding the proposed revision to the Regulation on the deployment of alternative fuels infrastructure.

During the Slovenian Presidency, the proposal and its impact assessment have been thoroughly analysed at the level of the Working Party on Intermodal Questions and Networks. The overall discussion demonstrated that the Member States attach significant importance to this proposal. Nevertheless, its highly technical nature, the political complexity of some provisions and the different circumstances and market developments require careful attention and further examination.

Considering one of the challenges of this proposal, Member States are invited to share their views not only but in particular on:

- How they see the phase in and market uptake of the heavy-duty vehicles segment powered by alternative fuels*
- How they envisage to follow the progress made in the implementation of public and private infrastructure for recharging and refuelling of heavy-duty road vehicles?*
- Would they see specific incentives or measures that could help in facilitating a faster integration in the day-to-day business of the alternatively powered heavy-duty road vehicles and consequently contribute to the extra effort required for reaching the intermediary target of reducing greenhouse gas emissions by 2030?*