

## STATEMENT ON THE CALCULATION OF THE GHG SAVINGS OF RENEWABLE ELECTRICITY IN TRANSPORT UNDER THE RENEWABLE ENERGY DIRECTIVE (REDII) – EXPECTED OUTCOME OF TRILOGUE

On March 20, the Intergovernmental Panel on Climate Change (IPCC) reminded decision-makers that despite rapidly escalating weather hazards due to a warming planet “Urgent climate action can secure a liveable future for all.”<sup>1</sup> The IPCC specifically mentioned the benefits of electrification.

**The revision of the Renewable Energy Directive (RED) presents an exceptional opportunity to create market conditions to accelerate the electrification of road transport.** Electrifying road transport is the most efficient and cleanest way to achieve Europe’s transition to carbon neutrality.

The signatories to this letter have consistently advocated for an **accurate valuation of the carbon savings from electricity as a transport energy vector in the revision of the Renewable Energy Directive (REDII), properly taking into account the GHG emissions reduction from the EV drivetrain due to superior efficiency** (higher energy conversion efficiency of renewable electricity versus other drivetrains, i.e., most power used to propel the vehicle not wasted)<sup>2</sup>, and for a market framework reflecting that technological fact.

The European Parliament and the Council must ensure that both energy and Greenhouse Gas (GHG) based calculation systems recognise this higher efficiency:

- **For a GHG-based approach, we urge that the fossil electricity reference value of 183gCO<sub>2</sub> eq/MJ (as originally proposed by the European Commission) is a *minimum floor* under which the revised RED should not fall.<sup>3</sup>**
- **For an energy-based approach, we urge that an appropriate *Energy Efficiency Ratio (“multiplier”)* of 4 should be retained to provide parity with the GHG approach.**

A lower reference value for the calculation of GHG savings would significantly underestimate the numerous benefits of EVs, including both their GHG reduction, emissions reduction and the superior drivetrain efficiency from transport electrification and deter the investments needed for the rapid roll-out of charging infrastructure.

**In addition, there should be no “cliff edge” effect after 2030.** The Parliament’s position to change the fossil fuel comparator reference value to EF(t) after 2030 for all renewable energy (i.e., 94 gCO<sub>2</sub>eq for both biofuels and renewable electricity) creates a harmful environment for investment planning. This directly runs counter to the objectives of the directive and overarching benefits that stem from the interlinkages between renewables and the e-mobility sector.

We call on the co-legislators to seize the opportunity of the RED revision to properly value carbon savings from electricity as a transport energy vector, and reach a final compromise that keeps the minimum level of ambition laid out in this statement intact.

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<sup>1</sup> Urgent climate action can secure a liveable future for all, IPCC [press release](#), 20 March 2023

<sup>2</sup> [Electrifying transportation reduces emissions AND saves massive amounts of energy](#), Karin Kirk, 7 August 2022, Yale Climate Connections

<sup>3</sup> BNEF assesses that this value only accounts for the emissions factor of renewable electricity, not the superior drivetrain efficiency of electrified transport (see [article](#) by Ryan Fischer, 18 January 2023).