E U R O P E A N E C O N O M I C A R E A

STANDING COMMITTEE
OF THE EFTA STATES

Ref. 21-3868

7 December 2021

SUBCOMMITTEE II ON THE FREE MOVEMENT OF CAPITAL AND SERVICES

EEA EFTA Comment

on the Commission 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- COM(2021) 559

1. EXECUTIVE SUMMARY

The EEA EFTA States:

- *Welcome the Commission proposal for a Regulation on the deployment of alternative fuels infrastructure, repealing Directive 2014/94/EU (the revision of the AFI Directive), and support a strengthened policy on the deployment of alternative fuels infrastructure in Europe for road vehicles, vessels and aircrafts. The development should primarily be left to the market, but some public investment may be needed;*

- *Support the establishment of a coherent European fast-charging network for light-duty vehicles. However, requirements on total power output should serve as an indicator rather than a target as other additional factors, such as the number of private charging points, will have an impact on the infrastructure needed. The increasing range of electric vehicles and low traffic volumes in rural areas call for more flexibility with regard to the requirements on installed power output and maximum distance between recharging points;*

- *Welcome the inclusion of requirements on infrastructure for heavy-duty vehicles in the proposal, but believe that a different approach is needed compared to light-duty vehicles. The current technology for electrified heavy-duty vehicles is still immature, and it is unclear how the technology and market will develop. To provide certainty for investment in emerging technology and to minimise the risk of stranded investments, a considerable degree of flexibility is needed;*

- *Welcome the emphasis on the importance of continued efforts to establish EU-wide technical standards for recharging and refuelling infrastructure, and on the development of standards for user-friendly information;*

- *Strongly support the use of alternative fuels in the maritime transport sector and encourage the inclusion of provisions on standards for infrastructure for additional alternative zero emission fuels, such as hydrogen, ammonia and methanol, in the Regulation.*

2. GENERAL COMMENTS

1. The EEA EFTA States welcome the Commission proposal for a Regulation on the deployment of alternative fuels infrastructure, repealing Directive 2014/94/EU (the revision of the AFI Directive).

2. They recognise the urgent need to increase decarbonisation efforts in all transport modes in order to meet our commitments under the Paris Agreement, as underlined in the EEA EFTA Comment on the European Strategy for a Sustainable and Smart Mobility of 2 December 2020.

3. The EEA EFTA States support a revised and strengthened policy on the deployment of alternative fuels infrastructure in Europe for road vehicles, vessels and aircrafts. EEA EFTA States have ambitious national targets for the introduction of zero-emission vehicles and low- and zero-emission vessels, and rely on technological development, ambitious European legislation through the EEA Agreement, and active national and local policies to reach the targets.

4. Emission reductions in the transport sector are key to achieving our common ambitious climate goals. Combined with strengthened common European emission requirements for cars, vans and heavy-duty vehicles, alternative fuels infrastructure is an important element for the successful phase-in of zero-emission vehicles in Europe.

5. The EEA EFTA States believe that the development of infrastructure for alternative fuels in the transport sector should primarily be left to the market and developed first where demand is highest. However, they acknowledge the need for governmental investment support for establishing alternative infrastructure in key areas where the infrastructure is still underdeveloped. It should be an overall goal that market actors develop infrastructure on fully commercial terms as quickly as possible.

6. The EEA EFTA States recognise that investments in fast recharging infrastructure for cars increasingly take place without public support, driven by the fast-growing number of electric cars. New recharging stations are established by market actors based on a strategic view on the future market demand. In order to ensure deployment of recharging infrastructure covering the future demand, the EEA EFTA States believe the market is key.

7. The EEA EFTA States strongly support the use of alternative fuels in the maritime transport sector, having valuable experience with regard to ferries powered by liquefied natural gas (LNG), electric ferries and ferries fuelled by hydrogen.

3. INFRASTRUCTURE FOR ROAD TRANSPORT

8. The EEA EFTA States support the establishment of a coherent European fast-recharging network for light-duty vehicles. However, the increasing range of electric vehicles and the low traffic volumes in rural areas call for more flexibility with regard to the requirements on installed power output and maximum distance between the recharging points for light-duty vehicles, as suggested in Article 3(2) of the proposal.

9. The EEA EFTA States find limited added value in setting requirements on total power output for publicly accessible charging points as a function of the total number of electric vehicles in the country, as proposed in Article 3. The requirement on power output should serve as an indicator rather than a target, since other factors, for example the number of private charging points in a country, will have an impact on the recharging infrastructure needed. Plug-in hybrid cars rarely use publicly available charging points and should therefore not be relevant as regards the requirements set out in the proposed Article 3.

10. The EEA EFTA States welcome the inclusion of requirements on infrastructure for heavy-duty vehicles in the proposal. However, a different approach is needed for such vehicles compared to light-duty vehicles. The current technology for electrified heavy-duty vehicles is still immature, and it is unclear how the technology and market will develop. To provide certainty for investment in emerging technology and to minimise the risk of stranded investments, a considerable degree of flexibility is needed as regards the specific targets for power output and maximal distance between recharging infrastructure for heavy-duty vehicles as set out in the proposed Article 4.

11. The EEA EFTA States support the technology neutral approach for the use of hydrogen in road transport, in line with the EU strategies on energy system integration and hydrogen. The proposed Regulation should take a more flexible approach to enable the development of an infrastructure adapted to demand and energy systems in different countries.

12. The EEA EFTA States welcome the proposal’s emphasis on a continued effort to establish EU-wide technical standards for the recharging and refuelling infrastructure and on the development of standards for user-friendly information, and encourage the continued work on this. Early dialogue with industry on lessons learned is essential to achieve good results.

13. The EEA EFTA States believe that the requirements for payment solutions set out in Article 5(2) of the proposal should reflect both benefits for consumers and possible disadvantages for the operators of recharging infrastructure. If significant changes in payment solutions are introduced in the proposed Regulation, a "grandfather rights" clause providing for a transitional arrangement for already installed recharging stations should therefore be considered, Consumer preferences for payment solutions are rapidly changing, beyond payment card readers.

14. The requirements on the provision of data set out in Article 18(2) of the proposal should only apply to data which is accessible to the recharging operator. For example, a recharging operator will in general not keep information regarding parking options for disabled persons in connection with the recharging station.

4. INFRASTRUCTURE FOR MARITIME TRANSPORT

15. The EEA EFTA States note that the requirement for the development of shore-side electricity (supply side) differs from the requirement for use of shore-side electricity in the FuelEU Maritime Initiative (demand side). This could result in a mismatch between the supply side and the demand side. The consequences of this mismatch should be further considered, for example whether the requirement to use shore-side electricity in all ports will lead to a change in traffic patterns.

16. The EEA EFTA States note that for maritime transport, the proposal only includes provisions on the deployment of alternative fuels infrastructure related to shore-side electricity and LNG. Acknowledging that the phase-in of alternative zero emission fuels in the maritime sector will need to start prior to 2030 in order to reach the climate targets, the EEA EFTA States encourage the inclusion of provisions on standards for infrastructure for additional alternative zero emission and renewable fuels, such as hydrogen, ammonia and methanol, in the Regulation.

17. The EEA EFTA States note that the economic aspects of the build-up of distribution networks for remote ports may be substantial and should be a reason for a flexible approach to the requirements of shore-side electricity supply in such ports in the TEN-T comprehensive network.