Workshop – Support to Decarbonization of Transport in Kazakhstan

The best European practices in promoting the use of CNG/LNG as motor fuel

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Split of greenhouse gas emissions in mobility sector in the EU (2019)

Road transport 72%
- Cars 43%
- Aviation 14%
- Heavy duty trucks and buses 19%
- Light duty trucks 9%
- Maritime 13%
- Railways 1%
- Other Transportation 0%
- Other Road Transportation 0%
- Motorcycles 1%

Situation of CNG in passenger cars and vans

We must recognise that the major German car manufacturers have withdrawn from the CNG vehicle business, or will do so within the next few years.

This means that either retrofitted vehicles will have to be sold or other Asian manufacturers will have to offer them.

Another possibility would be to show the VW Group the total market for CNG vehicles in Central Asia, Asia and Russia in order to reconsider the decision.
The framework: Main elements of the FF55 package proposals

**Fuel (REDII, ETD, ETS)**

- Higher targets for using advanced biofuels in transport (including biomethane)
- Increased minimum tax rates for natural gas used as a fuel, introduction of a low minimum tax rate for advanced biofuels including biomethane
- Electricity (renewable or fossil) generally favoured for road transport
- Creation of a separate ETS system for road transport (fuel suppliers)

**Infrastructure (AFID)**

- No more support for developing the CNG refuelling stations network
- Limited support to LNG stations until 2025

**Vehicles (CO2 standards for cars&vans)**

- *De facto* ban of ICE sales by 2035
- Targets still based on tailpipe emissions only
- No recognition of the contribution of renewable and low carbon fuels (no crediting scheme)
Transport of goods on countries territory by type of transport

Note: Malta excluded (see chapter ‘data sources’); Data for Luxembourg not available for 2018
(*) National transport for Belgium is confidential
Source: Eurostat (online data codes: road_go_ta_tott, road_go ia_ugtt, road_go ia_igt and road_go cta_igt)
In freight transport, an increase in transport volume of 18 per cent is assumed by 2030 compared to 2018.
The EU's transport sector is not on track towards its climate goals
Are electric trucks the future?
LNG market development in Germany since 2019

LNG sales volumes in tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (t)</th>
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<tbody>
<tr>
<td>2019</td>
<td>14,550.38 t</td>
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<tr>
<td>2020</td>
<td>47,985.16 t</td>
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<tr>
<td>2021</td>
<td>95,559.50 t</td>
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Reasons for the huge development
In 2021 in Germany 100 LNG fuel-stations.

By 2030:
10,000 CNG stations
2,000 LNG stations
Governmental support of climate-efficient trucks by the Federal Ministry of Transport

Grants for purchase of:

- 8.000 € for CNG
- 12.000 € for LNG
- All CNG and LNG trucks are free of toll until end of 2023
Campaign by Zukunft GAS for BioLNG in heavy duty trucks
### Support / funding / incentive measures in different EU-member states

<table>
<thead>
<tr>
<th>Country</th>
<th>Support/funding/incentive measures</th>
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<tbody>
<tr>
<td><strong>Germany</strong></td>
<td>• Toll exemption for gas trucks until 2023, from 2024 onwards Eurovignette</td>
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<td>• Reduction in energy tax until 2026</td>
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<td>• Purchase-fund for LNG trucks (€12,000 from 2018-2020)</td>
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<td>• Biofuel quota trading as a source of revenue for service station operators</td>
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<td><strong>Italy</strong></td>
<td>• Purchase-fund for gas trucks</td>
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<td>• Reduction in excise duty (Excise-duty)</td>
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<td>• Newly built service stations must have at least one CNG/LNG dispenser</td>
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<td><strong>Belgium</strong></td>
<td>• Purchase-fund for gas trucks</td>
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<tr>
<td><strong>Denmark</strong></td>
<td>• Exemption from CO2 tax for natural gas/biogas</td>
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<td></td>
<td>• Support program for the construction of biogas plants for the transport sector</td>
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<td><strong>Spain</strong></td>
<td>• Purchase-fund for gas trucks</td>
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<td><strong>Poland</strong></td>
<td>• Purchase-fund for gas trucks foreseen</td>
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<tr>
<td><strong>Czech Republic</strong></td>
<td>• Purchase premium for gas trucks</td>
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<td></td>
<td>• Toll reduction for gas trucks</td>
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<td></td>
<td>• LNG refueling station construction is promoted</td>
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<tr>
<td><strong>France</strong></td>
<td>• Tax deduction scheme until 2030 for companies which purchase NG trucks (including vans) over 2,6 tones. Depreciation amounts to 20%-40%-60% of the purchase cost of the vehicle, depending on its weight.</td>
</tr>
</tbody>
</table>
Conclusion: CNG & LNG contributes to saving the CO2 budget now

Gas-fuelled **vehicles** are readily available and mature in all relevant transport categories, including all levels of passenger and light duty transport as well as heavy duty transport or busses.

Gas mobility can build on existing **infrastructure** such as (LNG and pipeline) import, transport, distribution and storage infrastructure with sufficient capacity for providing further demand from transport.

Gas mobility can leverage on substantial **fuel supply** potentials:
- Existing natural gas supply might be used as a bridging fuel
- In addition, biomethane or synthetic methane could be used on an increasing scale.
Important: Toll-exemption „Eurovignette“

- The EU plans to include a CO2-differentiated toll beside or instead of a distance/time-based toll
- Clean vehicles (gas/biogas trucks) to pay less (30-50% toll exemption); CO2-free powertrains (hydrogen or battery-electric powertrains) can be fully exempted from tolls until 2025, and up to 75% thereafter
- Toll is mandatory for vehicles over 3.5 tons - each country decides for itself whether it is distance or time-related.
- Agreement on a reform of the Eurovignette Directive between European transport ministers in December 2020

- **Timing of the Eurovignette legislation:** Trilogue negotiations continue -> Decision in the EU Parliament by the end of 2021 expected -> 2 years time for national implementation of the Eurovignette Directive -> Entry into force of the Directive planned as of January 1, 2024
Ansprechpartner

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