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Fuelling EU Transport

The Dash for Energy Efficiency

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Brussels, 27th April 2011

85% of GHG emissions are emitted during the combustion of fuel use in vehicles

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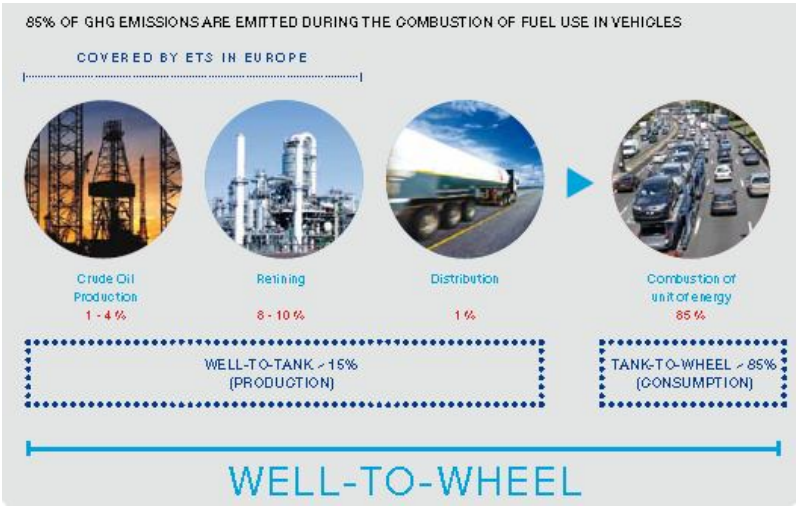
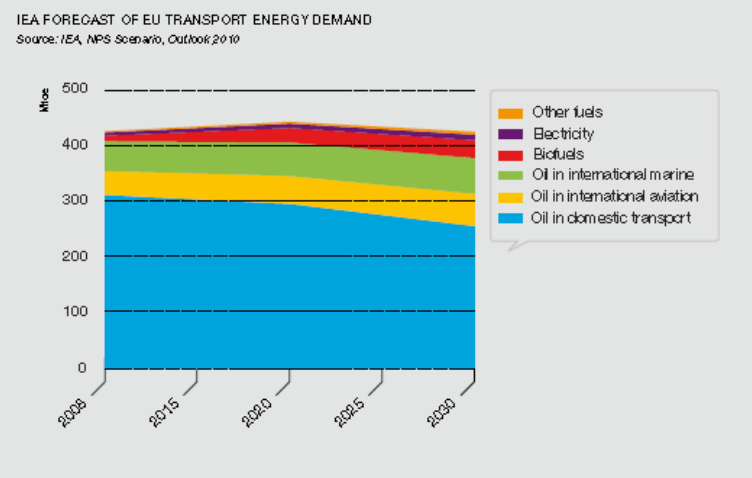
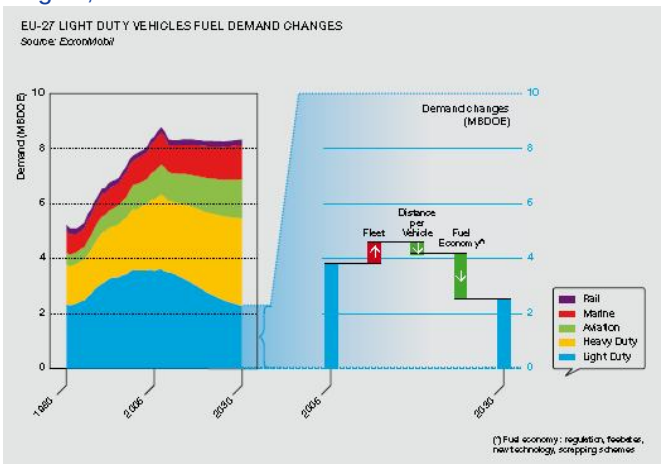


IEA forecasts: Decline in EU demand for crude oil in the transportation sector



Light Duty Vehicles

LDV passenger car fleet will continue to grow until 2030 but fuel consumption will decrease sharply due to regulation, fee bates, new technologies, etc….



We can see four technology paths impacting the cost and CO2 reductions for transport…

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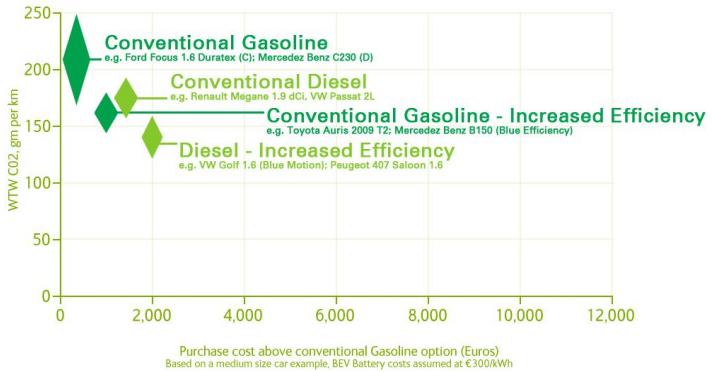
First, vehicle efficiency can be increased through more efficient engines…



Source: BP

We can see four technology paths impacting the cost and CO2 reductions for transport…

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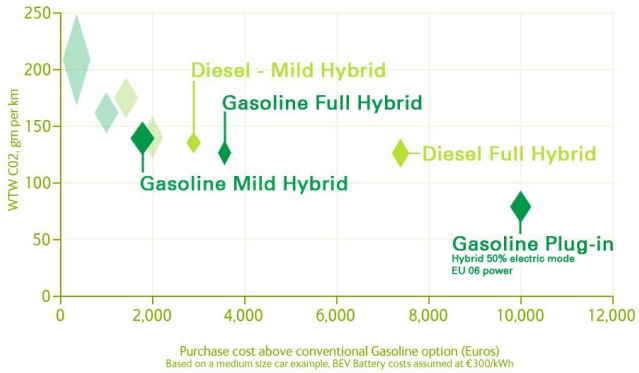
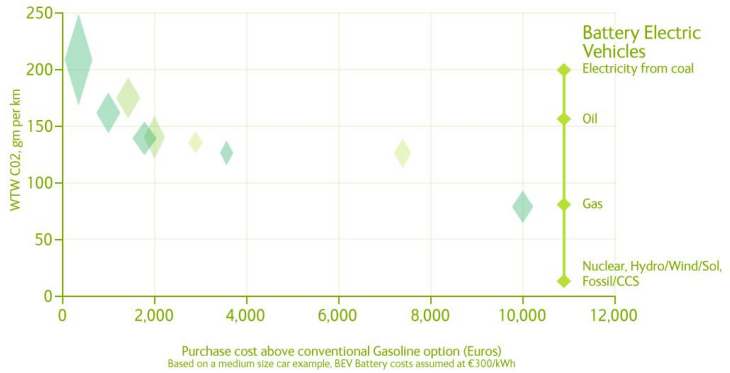
And further efficiency is available through hybridisation



Source: BP

Very low emissions can be achieved…

Through battery electric vehicles recharged with renewable, CCS or nuclear power

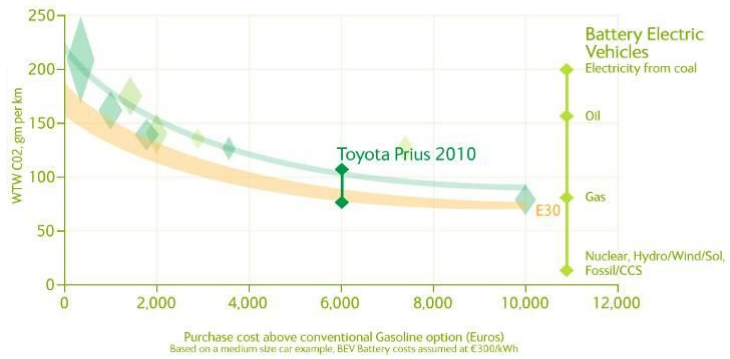


Source: BP

Very low emissions can be achieved…

First, vehicle efficiency can be increased through more efficient engines…

And through the use of sustainable low carbon biofuels



Source: BP

Heavy Duty Vehicles

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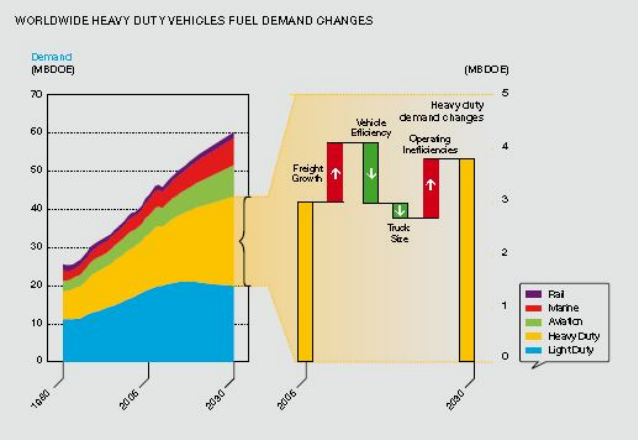
The HDV segment will keep growing mainly due to freight growth and operating inefficiencies



Many measures to increase fuel efficiency are cost-efficient on a vehicle "lifetime" basis

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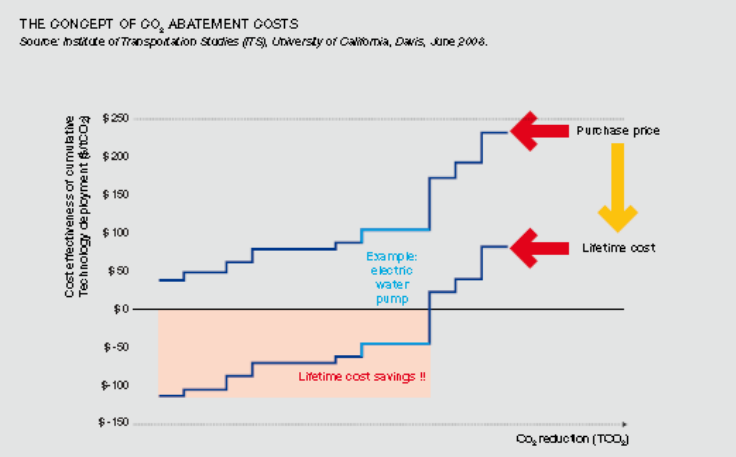

IEA lowest CO2 abatement cost are to be expected for end-use efficiency improvements

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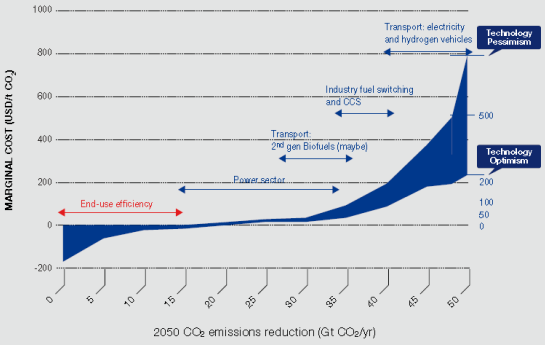
IEA CO_2 ABATEMENT COST CURVE

Source: International Energy Agency (IEA)



2. In order to maximise CO reduction, policies should focus on technologies with negative or moderate cost

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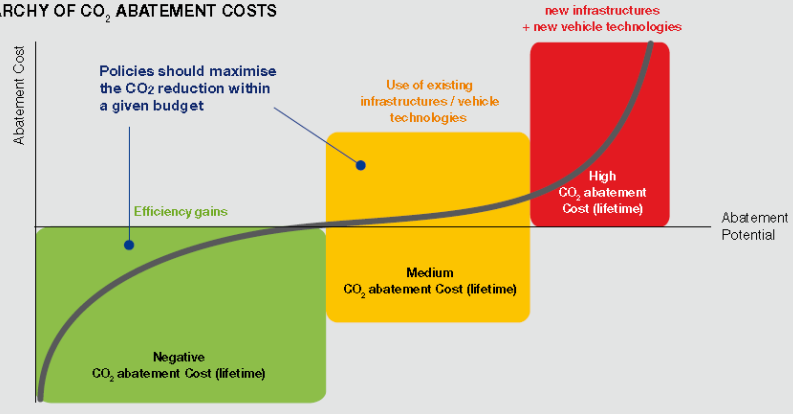
HIERARCHY OF CO_2 ABATEMENT COSTS



Conclusions

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- EUROPIA believes that CO2 reductions should be at the lowest cost to society.
  - Promote a framework for consistent and predictable CO2 abatement cost across the entire economy
- Focus on efficiency gains as readily available and most cost-efficient opportunities
  - Internal Combustion Engines (ICE) provide a large potential for low cost efficiency gains similar to other existing technologies based on existing infrastructures
  - Optimise use of existing infrastructures (Supply, distribution & retail)
- Policy goals and measures should be built on realistic and attainable objectives
- Invest in R&D to remove barriers to commercialisation of advanced technologies (advanced combustion engines and associated fossil fuels, fuel cells, battery technologies, advanced biofuels...)

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Thank you for your attention