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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Low-emission mobility and NER 300
- Information from the Commission

Delegations will find in the Annex an information note from the Commission on the above subject, to be dealt with under "Any other business" at the Council (Environment) meeting on 28 February 2017.

Low-emission mobility and NER 300**- Information from the Commission -**

On 20 July 2016, the Commission adopted "A European Strategy for Low-Emission Mobility". Transport is at the heart of the economy. It plays an important role for citizens, jobs, growth and competitiveness. It also represents almost a quarter of Europe's greenhouse gas emissions and is a major cause of air pollution in cities.

The transition to low-emission mobility is essential for the climate, and it will offer major opportunities for Europe to keep its competitive advantage and remain a front-runner in new technologies and business models. It will contribute to modernising our economies, to the benefit of European citizens and businesses.

This shift to low-emission mobility has already started, building on existing EU policies, but now its pace should be accelerated. The Strategy presents a wide range of actions to address three essential areas: optimising the transport system and improving its efficiency, scaling up the use of low-emission, alternative energy for transport, moving towards zero emission vehicles.

The implementation of the Strategy has been initiated:

- The recast of the Renewable Energy Directive proposed by the Commission on 30 November 2016 incentivises the use of advanced renewable fuels. An EU-wide blending mandate on transport fuel suppliers is proposed, to deploy an increasing share of low-carbon and renewable fuels, with a strong emphasis on advanced biofuels.
- The revision of the Energy Performance of Buildings Directive and the new electricity market design should contribute to the faster deployment of charging points in buildings and an energy grid/system fit for purpose.
- The strategy on Cooperative Intelligent Transport Systems (C-ITS) promotes cooperative, connected and automated mobility. It can enhance road safety, and encourage transport efficiency and eco-driving.

The Commission is continuing the implementation of the strategy, including the preparation of legislation on carbon dioxide emissions from cars, vans, lorries, buses and coaches as well as the revision of the Eurovignette and the Clean Vehicle Directives.

In addition, a number of horizontal enabling actions will support this transformation, including research and innovation, the industrial and investment policy, the re-skilling agenda and the empowerment of consumers.

In particular, the success of electric or other types of zero emissions vehicles will depend on the availability of infrastructure for recharging and on how fast storage and batteries will be available at competitive prices.

Batteries are a cornerstone, enabling sustainable transportation and renewable sources in the energy mix. A number of different instruments are already available, including Horizon 2020, European Structural funds, European Fund for Strategic Investment, and Member States R&I initiatives. The implementation of the mobility Strategy offers a key opportunity to explore enabling initiatives to facilitate the manufacturing of batteries in Europe, and to ensure Europe competitive advantage in the race for next generation batteries.

Another essential condition for the transformation is the roll-out of infrastructures for alternative fuels. This requires a holistic approach with the long-term engagement of all stakeholders, in particular Member States through the implementation of the Alternative Fuels Infrastructure Directive, and private actors.

The EU is already supporting this deployment financially, including through Connecting Europe Facility and European Structural and Investment Funds. Financing opportunities provided by the European Fund for Strategic Investments should be further exploited.

In this context, the possibility to use unspent money from the NER 300 programme could be considered. The NER 300 programme funds innovative low-carbon energy demonstration projects and 13 projects have already successfully reached the final investment decision. However, some projects may be cancelled and it should be considered to re-invest these unspent funds amounting to possibly up to €500 million. To this end, the Commission will submit a proposal for a vote in the Climate Change Committee in April 2017.