Keynote speech by Commissioner Miguel Arias Cañete at the "Driving road decarbonisation forwards" conference

Brussels, 18 June 2015

Good morning, ladies and gentlemen,

It’s a pleasure to be here.

I would like to start with a couple of figures to set the tone for our discussions today. Thanks to some of the toughest standards in the world, a new car today in Europe is 22% more efficient than in 2007. And by 2021 it should be 40% more efficient. These numbers tell me two things.

First, they show that it works to set ambitious targets. Manufacturers have risen to the challenge. We are already making progress towards more climate-friendly road transport in Europe.

Second, they show that if we want to be leading this race, we have to keep up our efforts. That is why we are here today – to discuss together the next steps of our decarbonisation journey. Let me stress that we are not alone on this path. Just last week at the G7 summit in Germany, the leaders of the world’s most advanced economies showed that they are serious about fighting climate change. They reaffirmed their strong commitment to the goal of limiting global warming to 2 degrees and called for a full decarbonisation of the global economy over the course of this century. Among these seven countries you find some of our key partners in the international climate negotiations, but also some of our major competitors in the global automotive market. It is encouraging to see that we are all heading in the same direction: a new global climate deal due to be agreed at the Paris climate conference this December.

We want Paris to deliver an ambitious, legally binding agreement applicable to all and capable of putting the world on track to the 2 degrees objective.

Our policies also have to work towards ensuring that European citizens have a healthy environment to live in and access to sustainable, affordable energy to power their everyday lives.

I am convinced that the key to address this multiple challenge effectively is taking a comprehensive and inclusive approach.

This why we have organized this conference today. Our approach means involving all parts of the transport sector and other parts of society – from vehicle manufacturers to technology developers, parts suppliers, energy and fuel providers, infrastructure managers, city authorities and many more. It also means breaking the silos between different policy areas. Together with my fellow Commissioners Bulc and Bieńkowska, I see today’s conference as an opportunity to kick-start discussions on the next steps with all stakeholders.

But before opening up the discussion, I would like to talk about some building blocks that are crucial for the success of our shared efforts.

- First, we need to look at road transport in the context of Europe's broader climate and energy challenges.
- Second, we need to ensure that our action is based on solid evidence.
- And finally, we need to make sure that Europe is ready to face the transport system of the future.

1. A comprehensive approach to climate & energy

Let me start by taking a step back – our overall goal. One of the cornerstones of our climate and energy policy framework for 2030 is a binding domestic target to reduce EU greenhouse gas emissions by at least 40% compared to 1990 levels.

To get there, NON-ETS sectors, that is to say transport, agriculture and the building sector, will have to reduce emissions by 30% compared to 2005. To achieve our overall target, all sectors need to contribute.
Today, road transport accounts for about one-fifth of the EU's carbon dioxide emissions. We must continue our efforts to bring these emissions down.

That is why the Energy Union strategy we launched last February addresses the decarbonisation challenge as part of a bigger picture. Together with the need to:

- strengthen the security of our energy supplies,
- improve our internal energy market,
- increase energy efficiency and
- boost research and innovation.

Allow me to highlight here two specific areas.

First, energy efficiency. In fact, "efficiency first" has become my motto – simply because it makes so much sense. Consuming less energy means polluting less, paying less and sustaining more of our energy sources. This also applies to vehicles. Efficiency gains help us not just cut emissions, but also save consumers fuel and money. For an average car, our 2020 target of 95 grams of CO2 per kilometre is estimated to help the consumer save around 3000 euro in fuel costs over the car's lifetime, as compared with the 2015 target. Moreover, saving fuel also helps reduce our dependency on imported oil. And the money saved at the gas station can be used to benefit other sectors of the economy.

This brings me to my second point – renewable energy and its essential role in building a more sustainable future for Europe. Over the last two decades we have seen renewables move from the fringe into the mainstream. But this is not enough. Our goal is for the EU to be the world leader in renewables. This Monday I presented the latest figures on our progress to meet our 2020 renewables target. And the clear conclusion is that we are on track to meet this target with more than 15% of the EU's energy coming from renewables.

When it comes to transport, the report shows that with a share of 5.7% in 2014, achieving our 10% target of renewable energy in transport will certainly be challenging, yet feasible. This means determined collective efforts to achieve our target of raising the share of renewables to at least 27% by 2030. It also means making renewables an integral part of our energy system. We need a properly connected, flexible internal electricity market which is compatible with renewables.

To this end, before summer I will present a Summer Package including a consultative communication on market design and a New energy deal for consumers, to be followed by legislation in 2016. We will also need innovative solutions for grid management technologies that are fit for renewables and can give consumers greater control over their energy use. Users should be able to charge their electric vehicle when prices are low and reduce their consumption when prices are high!

This will also be a challenge for our transport infrastructure. New solutions will only gain ground if vehicles, fuels and infrastructure – such as refuelling and recharging stations – are rolled out together successfully. Our policies will have to reflect this. That's why we taking an integrated approach is so important.

2. Evidence-based

Another building block of solid policies is a thorough assessment of facts. Indeed, evidence shows that our legislation to reduce road transport emissions is working. As stated before, the emission limit targets set for cars and vans for 2015 and 2017, respectively, were achieved well in advance.

But we need to go further. That's why our to-do list for the Energy Union for the next two years includes a review of the Regulation setting emission performance standards to establish post-2020 targets for cars and vans. I want to be clear on this: there will be new standards post-2020. Let me reassure you: these targets will be ambitious but achievable. Any decision on future requirements will be based on a thorough understanding of the costs and benefits.

This is why, our first challenge will be to carefully determine, in the context of the Effort Sharing Decision, the scale of contribution of transport and the overall cost vis-à-vis other non-ETS sector (Agriculture/Building). So, in the first half of next year, together with the Effort Sharing Decision, the Commission will also present a Communication on Decarbonisation of Transport which will set out our strategy to reduce greenhouse gas emissions in transport. This will be followed, later on, by specific legislation.

3. Transport system of the future
Before I conclude, let me say a few words about the third building block for success: **we need to anticipate future developments in the transport system.** This requires continued **efforts on research, development and a forward looking approach that would not lock Europe in the technologies of the past.**

The future of the transport sector is full of exciting possibilities:

- New high-tech materials.
- Connected cars getting smarter and smarter and one day autonomous.
- Seamlessly functioning, intelligent transport systems.

One thing all these innovative technologies and solutions have in common is that no one can develop them alone. We need effective cooperation across sectors, member states and policy areas.

This is very much the mindset of the Juncker Commission. I'm confident that all of us here today are up for the challenge.

I look forward to sharing this journey with you and wish you a productive day.