



EUROPEAN COMMISSION  
Impact Assessment Board

Brussels,  
D(2012)

Opinion

**Title**                    **DG MOVE - Legislative proposal on Alternative Fuels Infrastructure**  
**(resubmitted version of 12 October 2012)\***

**(A) Context**

In the European Union, 96% of transport depends on oil and oil products. The White Paper “Roadmap to a Single European Transport Area – Towards a Competitive and Resource Efficient Transport System” called for breaking the oil dependency of transport and set a target of 60% greenhouse gas (GHG) emissions reduction from transport by 2050. It also announced that the Commission will develop a sustainable alternative fuels strategy including an appropriate infrastructure and will ensure guidelines and standards for refuelling infrastructures. Market development of alternative fuels has been held back by three major and interdependent shortcomings: technological immaturity, lack of consumer acceptance and missing fuel infrastructure. This impact assessment report focuses on the deployment of appropriate infrastructure for alternative fuels.

**(B) Overall assessment**

**The report has been substantially improved in line with the Board's recommendations, but needs further work in a number of respects, particularly with regard to the need for and effectiveness of targets, and the financial implications for Member States and the EU budget. First, the problem section should address in describing the baseline how existing initiatives can be expected to influence the deployment of alternative fuels, and provide stronger evidence that all fuels covered by this initiative can be expected to become economically viable. Second, the report should still more concretely explain to whom targets are addressed, and who is expected to pay for the infrastructure for the proposed policy options. In addition, it should better justify the level of infrastructure targets for each Member State. Third, in the assessment of costs and benefits it should explicitly address whether there will be implications for public budgets at EU and Member State level.**

**(C) Main recommendations for improvements**

**(1) Further strengthen the problem definition and baseline scenario.** The report now clarifies (in section 2.1) that past initiatives and support actions have mainly addressed fuel production, vehicle technology development, and marketing of alternative fuel vehicles, while the build-up of the necessary infrastructures has been neglected (§27).

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\* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted  
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However, the report should explain how these existing (and planned) initiatives at European level to stimulate the uptake of alternative fuels listed in appendix 3 will concretely affect the deployment of these fuels. Although the report explains why infrastructure is not a major issue for the other three alternative fuels (biofuels, CNG, LPG), it should present more compelling evidence that there is market potential (hydrogen, LNG) and technological viability (hydrogen) for the deployment of these fuels once the infrastructure is available. The report gives more explanation (Appendix 6, §1) and references to previous Commission commitments (§24), that only concern electric vehicles. Because the options also refer to standards for hydrogen and LNG, the report should also explain why voluntary standardisation has failed for these fuels. In defining the baseline scenario the report should discuss the expected future consumption trends (i.e., whether there will actually be demand for electric, hydrogen and LNG vehicles considering their higher price). It should also address uncertainties related to the projected development of alternative fuel infrastructure and forecasted number of vehicles, as well as the main factors influencing these forecasts, including the availability of fossil fuels. It should explicitly address the question whether EU intervention would still be necessary in the light of the expected further development and marketing of more affordable electric cars with higher autonomy.

**(2) Better define the policy options.** In view of the presence of mandatory or indicative targets in a number of the options, the report should be clear as to whom these targets will address. This is not clear from the given legal formulations under each option and needs to be explicitly indicated. It should also more precisely indicate who is finally expected to pay for the proposed infrastructure development and whether, in case of lack of private funds, there would be implications for the public budget. The precise incentive mechanisms that will ensure effective delivery of the targets also need to be more clearly described. The report should better justify the level of infrastructure targets (other than electric charging points) for each Member State.

**(3) Improve the assessment of impacts and comparison of options.** Although the report now provides more explanation of overall costs and benefits for all options, it should still more clearly indicate the financial implications of proposed options for Member States and EU budget. The report should better explain if the stated environmental impacts are all explicitly related to this particular initiative or if they refer to more general policies concerning road transport. It provides more details regarding impacts on SMEs, but it should better indicate to which extent the stated impacts are supported by evidence, and should attempt to further quantify the stated impacts on mobility costs for SMEs. The report should also describe the sectoral shifts in employment associated with the market development of alternative fuel vehicles, including impacts on directly and indirectly affected sectors. The report should present the summary of impacts in section 5.4 more clearly per impact category. It should also further clarify the link between the discussion in the text and the scores assigned in table 11.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report*

#### **(D) Procedure and presentation**

The accessibility of the report has improved, however the report could be still be streamlined by shortening the problem definition section. References to the correct appendices should be checked throughout the report.

<b>(E) IAB scrutiny process</b>	
Reference number	2012/MOVE/014
External expertise used	No
Date of IAB meeting	Written procedure This opinion concerns a resubmitted draft IA report. The first opinion was issued on 21 September 2012.