

European Commission
Directorate-General for Competition
Unit A3

Comments on the Targeted review of the General Block Exemption Regulation (State aid): revised rules for State aid promoting the green and digital transition, reference number HT.5934

Executive summary

- Electric heavy-duty vehicles need a distinctively different recharging infrastructure than light-duty vehicles.
- 10% of the locations most frequented by trucks in Europe accounted for about 50% of all stops that trucks make – with the most important locations being rest areas along motorways, company sites, logistic centers and ports, i.e. that three out of four location types refer to destination charging.
- The over all challenge is to have one regulation covering both heavy-duty vehicles and passenger cars, illustrated by the definition of “publicly accessible” which will not be appropriate or efficient if not handled separately. There is an obvious risk that a joint definition will be a bad compromise and far from optimal for both heavy-duty vehicles and passenger cars.

Volvo Group has reviewed the EU Commission’s proposal of the revised rules for State aid promoting the green and digital transition, “Green GBER”, and supports the systemic approach including investment aid for both recharging/refuelling infrastructure and for the acquisition of clean or zero-emission vehicles. An essential prerequisite for delivering on the climate goals towards a European Union free from fossil fuels is that investment aid is *coordinated, aligned* and *simplified*.

There is a huge interest from commercial actors in implementing the solutions needed to achieve the climate goals for transport. Electrified and CO₂-neutral transports must be able to be carried out with the same efficiency as today's transports. This means that we, as a vehicle manufacturer, will continue to develop our products to extend electric mileage, shorten recharging time and improve load capacity. At the same time, recharging and refuelling infrastructure needs to be expanded to ensure accessibility. We see the “handshake process” as an important step in ensuring the expansion of the recharging and refuelling network.

The European Commission's statement (recital (13))¹ that "Electric heavy-duty vehicles need a distinctively different recharging infrastructure than light-duty vehicles" is important and welcome. The same applies for hydrogen and LNG refuelling infrastructure.

Heavy-duty vehicles are not to be compared with passenger cars and must be viewed from their own specificities. Heavy-duty vehicles are income generating assets for the transport operators and need a positive Total Cost of Ownership to motivate an investment decision. Heavy-duty battery electric vehicles need for example at least ten times the battery size compared to passenger cars, which drive investment cost and require very high utilization. They have approximately ten times the operating time, ten times the annual mileage and 100 times the annual energy consumption compared to cars, and they have a totally different utilization logic than passenger cars. These differences must be taken into consideration from a regulatory perspective.

In order to increase the speed of change, we also need to secure financial support in the transition phase that makes it financially possible for transport buyers to switch quickly. The proposed changes in the targeted review of the "Green GBER", especially the Articles 36a and 36b, seems to be in the right direction when it comes to securing a coordinated deployment of infrastructure and electric vehicles, without the need for notification to the EU Commission. To be efficient, financial support shall be coordinated, simple and aligned, and include purchase of vehicles, additional costs for logistics and knowledge accumulation, as well as public and private recharging and refuelling stations, including for example logistic hubs i.e. destination charging (see the German support system²).

Volvo Group wants to provide the following comments.

➤ **Article 36a Investment aid for recharging or refuelling infrastructure**

AB Volvo supports the scope and aid intensity for recharging and refuelling infrastructure. We welcome that the eligible costs includes storage and onsite production of renewable electricity and storage of hydrogen.

AB Volvo wants to emphasize the importance of securing the charging and refuelling perspective of heavy-duty vehicles which takes place e.g. through destination charging at logistic centers and can not be compared with charging and refuelling perspective of passenger cars at e.g. shopping malls. The locations of charging points for heavy-duty vehicles should be determined based on the actual operational patterns of trucks. A recent study has found, for instance, that 10% of the locations most frequented by trucks in Europe accounted for about 50% of all stops that trucks make – with the most important locations being rest areas along motorways, company sites, logistic centers and ports, i.e. that three out of four location types refer to destination charging.

The over all challenge is to have one regulation covering both heavy-duty vehicles and passenger cars, illustrated by the definition of "publicly accessible" which will not be appropriate or efficient if not handled separately. There is an obvious risk that a joint definition will be a bad compromise and far from optimal for both heavy-duty vehicles and passenger cars.

Alt 1. If "accessible to the public" does not include cases where access is restricted to a certain general group of users, for example clients to a logistic center, we propose to delete the wording "accessible to the public and" (strikethrough below) from article 36a 7. By excluding that wording the aid includes destination charging at e.g. logistic centers to which access can be limited to e.g. clients .

¹ REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU of the European Parliament and of the Council, Recital (13).

² *State Aid SA.59352 (2020/N) – Germany Federal aid scheme for the acquisition of light and heavy commercial vehicles with alternative, climate-friendly propulsion systems and ancillary EV charging facilities*

7. Where the recharging or refuelling infrastructure is open for access by users other than the aid beneficiary or beneficiaries, aid shall only be granted for the construction, installation, upgrade or extension of recharging or refuelling infrastructure ~~accessible to the public and~~ providing non-discriminatory access to users, including in relation to tariffs, authentication and payment methods and other terms and conditions of use. The fees charged to users other than the aid beneficiary or beneficiaries for using the recharging or refuelling infrastructure shall correspond to market prices.

Alt 2. If accessible to the public also includes cases where access is restricted to a certain general group of users, for example clients to a logistic center, we support Article 36a as it is drafted. This is in line with the wording in the Regulation of the European Parliament and of the Council on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU "AFIR" recital (17);

"A recharging or refuelling point located on a private property that is accessible to the general public should be considered as publicly accessible also in cases where access is restricted to a certain general group of users, for example to clients."

The wording in AFIR could be included in GBER Article 36a 7. as a clarification. It is of utmost importance that the regulation considers heavy-duty vehicles' specificities.

➤ **Article 36b Investment aid for the acquisition of clean vehicles or zero-emission vehicles and for the retrofitting of vehicles**

AB Volvo supports that also aid for the acquisition of clean vehicles or zero-emission vehicles and for the retrofitting of vehicles is included. We welcome and understand the proposal to include different types of ownership, also so called operational leasing and rental fleets.

➤ As a general comment, also construction equipment should be included in the regulation.

We look forward to a continuous dialogue and are of course available should there be any questions or need for clarifications.

Göteborg 2021-12-08

Susanne Jannesson, AB Volvo
Mail: Susanne.jannesson@volvo.com

Anders Berger, AB Volvo
Mail: anders.berger@volvo.com