

## **PRESS RELEASE**

## Thursday, 15 December 2022

## **REPowerEU and rail traction electricity**

UIRR demands effective intervention from Member States to regulate the price of traction energy for electric rail freight based on the REPowerEU initiative and the Council Regulation permitting their intervention into the electricity market. This is needed to reduce the exposure of Europe to imported Russian diesel and to contribute to the need to save energy used in freight transportation.

The agreement on the REPowerEU initiative<sup>1</sup> is another success for the Czech Presidency of the European Council, when it struck a deal with the European Parliament represented by MEP Siegfried Mureşan on 13 December concerning the Commission proposal<sup>2</sup> from May this year.

Combined Transport will be unavoidable in freight transport to achieve the energy efficiency and energy saving objectives that stand in the focus of the REPowerEU:

- Door-to-door Combined Transport uses up to 70% less energy than its long-distance trucking alternative<sup>3</sup>.
- The railway and transhipment portions of Road-Rail Combined Transport are predominantly powered by electricity obtained directly from the grid, which enables the direct use of locally generated energy from renewable and other non-fossil sources.

The energy crisis that erupted over a year ago in Europe adversely affects the entire continent, citizens and economic actors alike. The European Council adopted Regulation 2022/1854<sup>4</sup>, a toolbox for "emergency intervention to address high energy prices" in October. Upon the adoption of the Regulation UIRR already asked for **electric rail freight** to be designated an electricity end-user group worthy of protection <sup>5</sup> through a regulated price linked to the rate of increase in the price of diesel fuel.

Combined Transport saves up to 70% of the energy used by a long-distance truck in the form of diesel fuel – imported from Russia to a considerable extent – while replacing it with locally generated electricity. On the other hand, there is no alternative fuel for electric rail freight, which makes this form of freight transportation worthy of protection, worthy of a regulated price.

Without the required imminent and effective intervention to meaningfully reduce the price of traction electricity, the outcome will be more long-distance trucks, more diesel fuel used and a certain failure to reach the REPowerEU objectives in energy efficiency improvement and decoupling from the use of imported Russian diesel.





Ralf-Charley Schultze

"REPowerEU sets the objectives, while Regulation 2022/1854 offers the toolbox: now is the time for Member States to enact effective protection to electric rail freight through the introduction of a regulated traction electricity price." – pointed out UIRR President Ralf-Charley Schultze.

## Who is UIRR?

Founded in 1970, the International Union for Road-Rail Combined Transport (UIRR) represents the interests of European road-rail Combined Transport Operators and Transhipment Terminal Managers.

Road-Rail Combined Transport (CT) is a system of freight forwarding which is based on efficiently and economically inserting electric rail into long-distance (road) transport-chains through the use of intermodal loading units (ILU).

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<sup>1</sup> REPowerEU: A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition

<sup>&</sup>lt;sup>2</sup> <u>https://ec.europa.eu/commission/presscorner/detail/en/IP 22 3131</u>

<sup>&</sup>lt;sup>3</sup> https://www.ct4eu.eu/sites/default/files/documents/d-fine\_UIRR\_Study-on-CO2-emissions-in-CT\_o.pdf

<sup>&</sup>lt;sup>4</sup> <u>https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R1854&gid=1671002864530&from=en</u>

<sup>&</sup>lt;sup>5</sup> <u>https://www.uirr.com/en/media-centre/press-releases-and-position-papers/2022/mediacentre/2355-press-release-reliable-electricity-prices-for-</u>

intermodal-trains-are-needed.html