

Business Council for Sustainable Energy Comments on the Proposed Science Based Target Initiative Draft Automotive Standard

August 11, 2025

The Business Council for Sustainable Energy (BCSE) appreciates the opportunity to provide comments in response to the Science Based Target Initiative's (SBTi) proposed Automotive Standard.

BCSE is a coalition of companies and trade associations that deploy clean energy and decarbonization solutions, with a sector focus on energy efficiency, natural gas, and renewable energy. BCSE collaborates frequently with its small business division, the Clean Energy Business Network (CEBN), which encompasses a network of more than 8,000 cleantech business and community leaders across all 50 states. Collectively, BCSE and CEBN mobilize the full breadth of the clean energy economy, from innovators and small businesses to industry leaders and the trade associations that represent them.

BCSE members have offered significant feedback on the SBTi Version 2 Net Zero Standard (CNZS V2), and view the comments on the proposed Automotive Standard as building upon those comments.

The following comments provide general views on the Draft Automotive Standard in response to a select set of survey questions. For more detailed explanations and suggested remedies, please see the comments submitted by the American Biogas Council.

SBTi Proposed Automotive Standard Survey Responses

Section B – Determining Performance in the Target Base Year

Do you agree there is value in the inclusion of an additional requirement to assess performance separately for scope 3 category 1 (purchased goods and services) for automakers?

Rationale: Purchased parts or materials are currently included in base year assessment and targets as part of the aggregated target. However, as this is an area where an automaker can have significant influence, a separate assessment and target to ensure sufficient focus is put on this area is also required.

BCSE supports the inclusion of separate Scope 3 Category 1 performance targets for automakers. This area represents a major share of life cycle emissions and is a critical lever for transformation. However, we recommend that SBTi guidance:

- *Recognize the role of biogas and renewable thermal fuels in decarbonizing upstream manufacturing (e.g., steel, aluminum, ceramics, polymers) used in vehicle components.*
- *Clarify how renewable energy procurement—both electric and thermal—should be treated in LCAs.*
- *Ensure emissions accounting frameworks (e.g., GREET) are allowed for North American supply chains to avoid underrepresenting renewable fuels' contribution.*

By doing so, automakers will be better positioned to collaborate with suppliers on credible, science-based fuel switching strategies that deliver real-world Scope 3 emission reductions.

Do you agree with including the End-of-Life (EoL) component (scope 3 Category 12) in the aggregate indicator in criteria AMSS-C1 and APSS-C1, or would you feel it is better to remove it?

Rationale: What happens to a vehicle or part at the end of its life is far from the manufacturer's control and so companies are likely to rely on default values, and therefore including this in the aggregated calculation may have limited impact and could shift focus away from life-cycle stages where companies have greater influence.

BCSE recognizes SBTi's rationale for potentially removing Scope 3 Category 12 emissions from the aggregated performance indicator, particularly given the limited control automakers may have over a vehicle's end-of-life stage. However, BCSE encourages SBTi to retain Category 12 emissions in alignment with ISO product lifecycle assessment standards, especially for a sector defined by complex, product-based supply chains. Upholding consistency, methodological reliability, and science-based, technology-neutral LCA principles must remain at the heart of SBTi's approach.

Do you feel the low-emission vehicle definition is sufficiently aligned to existing sectoral regulations and requirements, to enhance interoperability and reduce reporting burden? If not, what changes would you suggest, aligning to which other regulations / requirements?

Rationale: Alignment would enhance interoperability and reduce reporting burden.

BCSE does not oppose SBTi's definition of low-emission vehicles, but there is concern with the methodology proposed to calculate emission factors for clean fuels—factors that are combined with vehicle efficiency metrics to determine whether a vehicle qualifies as low-emission. Not only does the 65% life-cycle emission intensity reduction target seem arbitrary, but the default emission factors SBTi proposes for fuels like biodiesel (FAME) and renewable diesel (HVO), lack scientific credibility and appear biased against liquid fuels, despite their proven ability to deliver cost-effective, near- and medium-term emissions reductions at a time when such solutions are urgently needed.

Singling out clean fuels like HVO and RNG for additional constraints—while relying on weaker evidence and applying inconsistent standards—suggests a pattern of preferential treatment for certain technologies. These decisions risk stifling innovation and undermining climate progress. SBTi must apply its standards with scientific rigor, transparency, and true technology neutrality if it intends to retain credibility and build a robust, durable framework for decarbonizing the automotive sector.

The aggregated emission intensity indicator is currently proposed as a mandatory target in the standard. Do you think this approach should remain, or would it be more appropriate for companies to only disclose base year performance, or for the indicator to be an optional target?

Rationale: The current draft of the standard includes the aggregated emission intensity indicator as a mandatory target. However, given the varying levels of data availability and methodological maturity across companies, particularly in early implementation stages, it is important to assess whether this requirement is appropriate for all actors in the sector

Aggregated emission intensity targets directly influence how emissions reductions from biofuels like RNG and biogas are accounted for across a vehicle's lifecycle, especially in the well-to-wheel (WTW) scope that SBTi focuses on. SBTi making this indicator mandatory, without appropriately valuing low-carbon fuels like biogas, further exacerbates the systemic bias against these scientifically proven climate solutions. BCSE shares the concern by others, including the American Biogas Council, that making aggregated emission intensity indicators mandatory—without addressing foundational issues in SBTi's fuel emissions methodologies—will unfairly penalize low-carbon fuels like biogas. Current practices undermine the real, near-term, and verified benefits of carbon-negative fuels like RNG. Until these methodological flaws are resolved, mandating such targets risks reinforcing systemic bias against clean fuel solutions that offer proven, near-term climate benefits.

Section C - Target Setting

Do you think the way CNZS V2.0's criteria applicability is explained is clear enough to enable an efficient applicability of both standards in parallel? If not, do you have any suggestions to improve on this aspect?

- a. **Rationale:** Gathering feedback from stakeholders on the way SBTi Standards interoperability is explained will help identify the best solution to provide clarity and efficiency to the standards' users.

BCSE submitted significant comments to CNZS V2 and views these comments as building upon that submission.

2. Do you agree with the methodological approach adopted to define benchmarks and compliance trajectories?
 - a. **Rationale:** Current methodologies attempt to strike a balance between the need for accuracy and limitations inherently arising from the choice of specific scenarios and from limitations in data availability. They may have excluded important data sources and/or assessments that could narrow uncertainties and/or improve the quality of the benchmarks and the trajectories taken into consideration.

While the intention of averaging the GREET and JEC models may be to create a "globally balanced" approach to well-to-wheel (WTW) emissions accounting, the result is neither scientifically robust nor policy-aligned—particularly for biofuels like biogas. The GREET model, developed by Argonne National Laboratory, is built on decades of peer-reviewed research and real-world data. GREET is used in regulatory frameworks with high environmental and economic stakes, including:

- a. California's Low Carbon Fuel Standard (LCFS)*
- b. U.S. Renewable Fuel Standard (RFS)*
- c. U.S. Tax Credits (e.g., 45Z, 45V, etc.)*
- d. U.S. DOE Hydrogen Program*
- e. ICAO CORSIA*
- f. Canada's Clean Fuel Regulation (CFR)*

GREET is updated annually and incorporates region-specific inputs, full supply chain variability, and granular modeling for carbon-negative fuels like dairy RNG—which are absent or undervalued in JEC.

Averaging GREET with JEC undermines its scientific rigor by diluting high-resolution, evidence-based carbon intensity estimates—particularly for innovative, low-CI fuels.

Furthermore, if the intention of SBTi is to take a “globally balanced” approach – there are other models outside of GREET that can be referenced for emissions accounting, such as:

- *British Columbia LCFS (BC-LCFS) – uses GHGenius*
- *Canada Clean Fuel Regulation (CFR) – uses ECCC Fuel*
- *Brazil’s RenovaBio – uses RenovaCalc*

Using only JEC as a balancing point inherently biases global emissions estimates toward European system boundaries and assumptions, skewing the results against innovative producers in North America and other regions. The JEC model reflects European assumptions around power mix, fuel transport, and feedstock availability that do not hold true globally. JEC has limited or less favorable pathways for many non-European feedstocks, including livestock manure RNG, landfill gas, and agricultural residues and therefore, does not adequately reflect carbon-negative pathways or current innovation in biofuel production outside the EU.

Furthermore, SBTi has expressed interest in recognizing beyond value chain mitigation. The avoided methane emissions embedded in biogas’s carbon intensity score are example of this concept—delivering measurable climate benefits well outside the immediate value chain of an automaker. By undervaluing or masking these avoided emissions through averaging, SBTi risks disincentivizing one of the fastest, most cost-effective decarbonization strategies available.

Thank you for the opportunity to share BCSE’s views on the proposed SBTi Automotive Standard. Should you wish to discuss these comments further, please contact BCSE President Lisa Jacobson via email at ljacobson@bcse.org.