



Brussels, 26th October 2022

## Press release

### Bringing the industry together to drive the transition to very low-emission rail traction

**The Association of European Rail Rolling Stock Lessors (AERRL), with support from Akiem, Beacon, Cargounit, Crédit Agricole CIB, ING, KfW IPEX-Bank and Societe Generale has launched the first phase of a study to identify and promote technologies to cut the climate impact of existing diesel-powered rail fleets in the near future. Although rail is already by far the most sustainable mode of land transport,<sup>1</sup> this initiative aims to help rail transport on non-electrified lines transition to low-carbon technologies that provide even greener passenger and freight transport.**

Rail is the backbone of the action plan for the European Green Deal targets set out by the European Commission. The industry wants to further reduce its carbon footprint and is currently developing new technologies such as hybrid locomotives, hydrogen trains, biofuels, etc. The commission is imposing increasingly stringent standards and providing funding for R&D and projects. Lessors and their financial partners are working on the investment planning aspects to bring actors together around strategies for the medium and long terms.

Rising energy prices currently favour road transport, making carbon emissions a major issue. Despite this, the rail industry is preparing to invest in technologies with the lowest carbon emissions. Alternatives to diesel-powered trains and locomotives do exist, but with varying levels of market readiness. This means that a transition from diesel must be planned to reflect specific ecosystems:

- size and age of the diesel fleet, and potential for upgrades;
- stage of development of low-carbon technologies to replace diesel, and infrastructure upgrades required;
- existing technologies for reducing carbon footprints until diesel alternatives are available for mass rollout, level of network electrification and roadmap for upgrades;
- operational range requirements and forecast loads.

During the first phase of the study, the AERRL will work with three of its members (Akiem, Beacon, Cargounit) and four banks (Crédit Agricole CIB, ING, KfW IPEX-Bank, Societe Generale), long-time partners to the lessors with a commitment to helping with the study.

---

<sup>1</sup> According to a European Environment Agency study, *Rail and waterborne best for low-carbon motorised transport* (24 March 2021), trains are the best choice for passenger travel. For freight transport, average GHG emissions for the EU27, 2014-201, are 33g CO<sub>2</sub>e per tkm for inland waterways, 24g CO<sub>2</sub>e for rail freight.



The project will be carried out on behalf of AERRL and its partners by eolos ([www.eolos.org](http://www.eolos.org)), an industrial consulting company for the railway, maritime and electronics sectors that focuses on embedding environmental sustainability into business operations and product designs. Its solutions are powered by circular economy principles and business models.

Fabien Rochefort, AERRL chair, says: “New technologies will be implemented over the next years to massively reduce the carbon emissions of diesel traction engines. Even if diesel in rail emits six times less carbon than road transport, before the end of the decade we must identify and promote the technologies to replace it by 2035. We are determined that this study will provide a significant contribution to our industry, adding our voice to discussions with our peers as the EU Commission sets about defining guidelines for a greener European transport ecosystem in the future. We are following with great interest the framework, taxonomy and technologies that will be promoted to bring about our industry’s green revolution.”

Carole Coune, AERRL secretary general, adds: “I’m proud to be project manager for the AERRL study into very low-emission rail of the future, working with Akiem, Beacon, Cargounit, Crédit Agricole CIB, ING, KfW IPEX-Bank and Societe Generale. All the partners are fully committed to projects for reducing CO<sub>2</sub> emissions and want rail to continue to build on its leading position. We look forward to presenting the findings of the first phase of the study to our colleagues in other trade bodies, as part of efforts to bring the sector closer together.”

Robert van Duuren, representing the banks, adds: “The new EU taxonomy had a significant positive impact on the availability of capital for sustainable transport businesses. The rail industry, with its large percentage of zero-emission assets (electric locomotives and trains) benefits from this. Compared to other modes of transport, the rail sector has a small percentage of diesel-powered assets. It is nevertheless important to look at alternatives for reducing emissions from assets running primarily on non-electrified lines. This study will help us take a further step toward sustainability.”

### **About AERRL**

An international non-profit association under Belgian law, created in May 2021 and headquartered in Brussels, AERRL represents most EU rail rolling stock lessors and seeks to directly promote interoperable and safe European rolling stock, the growth of rail transport and better collaboration between lessors and European institutions. AERRL members are active in more than 14 EU countries.

AERRL members: five effective members (Akiem, Railpool, MRCE, Northrail, Renfe Alquiler) and three associate members (Cargounit, ELP, Beacon Rail Finance). Seven of them are established in the EU (D-PL-F-L-NL), one in Switzerland.

### **For more information**

Carole Coune, AERRL secretary general

Tel.: +32 478 303 005

Email: [carole.coune@aerrl.eu](mailto:carole.coune@aerrl.eu)