

# Reducing CO<sub>2</sub> emissions from new passenger cars: modalities for reaching the 2020 target

2012/0190(COD) - 11/07/2012 - Legislative proposal

PURPOSE: to amend Regulation (EC) n° 443/2009 to define the modalities for reaching the 2020 target to reduce CO<sub>2</sub> emissions from new passenger cars.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: while emissions from other sectors are generally falling, **road transport is one of the few sectors where emissions have risen rapidly**. Between 1990 and 2008 emissions from road transport increased by 26%. As a result, it is the second biggest source of GHG emissions in the EU, and contributes about one-fifth of the EU's total emissions of CO<sub>2</sub>.

In March 2011 the Commission adopted the ['Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system'](#). It sets out a transport strategy **within a frame of achieving a 60% reduction in transport GHG emissions by 2050**.

Regulation (EC) 443/2009 sets the CO<sub>2</sub> reduction framework for the new car fleet to 2020. It provides an operation in two parts.

In the first period to 2015 the modalities of compliance with the target have been established. For the second period to 2020 the target cannot become effective without implementing the necessary modalities, which are to be determined in a review. This target was established in the co-decision process and is not reconsidered in the review.

**Failure to determine or implement the modalities would have a detrimental effect** on vehicle manufacturers and parts suppliers who need certainty with regard to the technology and vehicles that will be needed to meet the target.

Key modalities in the current Regulation include the limit value curve which is defined by the utility parameter and the function describing the relationship between the utility parameter and CO<sub>2</sub> emissions (setting the shape and slope). Other modalities include the excess emissions premium scheme, eco-innovations, derogations, pooling, the phasing-in of the targets and granting of super-credits for a limited period of time.

IMPACT ASSESSMENT: a joint impact assessment supporting the current proposal and a [proposal to amend Regulation \(EU\) No 510/2011](#) has been prepared. The following aspects were analysed: (a) 'do nothing' option; (b) modalities of meeting the car target; (c) simplification and reduction of administrative burden; (d) adaptation to the new test cycle; (e) form and stringency of legislation beyond 2020.

LEGAL BASIS : Article 192 of the Treaty on the Functioning of the European Union. (TFEU).

CONTENT: the proposal amends the Regulation **to implement the modalities of meeting the 95 gCO<sub>2</sub>/km target for new passenger cars to be reached in 2020**. The main modalities implemented are as follows:

- the utility parameter continues to be the vehicle's mass in running order;

- the limit value curve remains linear with a slope of 60% compared to the baseline fleet which is kept as the 2006 fleet in line with the 2015 limit value curve;
- super-credits for cars emitting below 35 gCO<sub>2</sub>/km are introduced between 2020 and 2023 with a multiplier of 1.3 and limited to a cumulative figure of 20 000 vehicles per manufacturers over the duration of the scheme;
- the "niche" derogation for manufacturers target is updated for 2020;
- manufacturers responsible for less than 500 registrations of new passenger cars per year are excluded from the obligation of having a CO<sub>2</sub> target;
- more flexibility is allowed in the timing of decisions granting small volume derogations;
- eco-innovations are retained when a revised test procedure is implemented;
- the Excess Emissions Premium is maintained at €95 per g/km per vehicle;
- the Committee procedure provisions are updated to be compatible with the Lisbon Treaty.

As industry benefits from indications of the regulatory regime that would apply beyond 2020, the proposal includes **a further review to take place by 31 December 2014.**

**BUDGETARY IMPLICATIONS:** the proposal has no implications for the EU budget.

**DELEGATED ACTS:** the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the EU.