Emission performance standards for new passenger cars and for new light commercial vehicles. Recast

2017/0293(COD) - 08/11/2017 - Legislative proposal

PURPOSE: to set new targets for the EU fleet wide average CO2 emissions of new passenger cars and light commercial vehicles (vans) that will apply from 2025 and 2030.

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

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: following the Paris Agreement, the world has committed to move towards a low-carbon economy. Until now, the CO2 emission reduction standards for cars and vans in place in Europe have represented a fundamental tool to push for innovation and investments in low carbon technologies. However, in the absence of tighter standards for the period beyond 2020, the EU risks losing its technological leadership in this area.

The current CO2 emission standards for cars and vans until 2020/21 have contributed to significantly reduce CO2 emissions from light duty vehicles. However, with current implemented policies GHG emissions are not expected to sufficiently decrease to reach the 2030 EU target of at least 40% emission reduction compared to 1990.

This proposal is part of a **broader mobility package** which includes measures on the demand and supply of low-emission vehicles using alternative fuels through the proposed amendments to Directive 2009/33 /EC on clean vehicles, Directive 92/106/EEC on combined transport and Regulation (EC) No 1073/2009 on passenger coach services.

IMPACT ASSESSMENT: the policy options were grouped into five key elements. The preferred options within these groups are as follows:

1. **CO2 emission targets**: to set new EU fleet-wide CO2 targets equal to a **30% reduction in 2030 compared to the 2021 targets**, both for cars and for vans;
2. **distribution of effort amongst manufacturers from 2025 onwards**;
3. **incentives for low- and zero-emission vehicles (LEV/ZEV)**: the use of a **crediting system** whereby a manufacturer exceeding a certain benchmark level of ZEV/LEV would be rewarded by getting a less strict CO2 target;
4. **elements for cost-effective implementation**: to maintain the eco-innovation provisions, pooling provisions and derogations;
5. **strengthening of the governance**: to establish an empowerment for the Commission to allow (i) the collection, publication and monitoring of real world fuel consumption data and creating an obligation to report deviations linked to a correction mechanisms and (ii) to correct reported CO2 emission values in case of deviations detected through improved market surveillance.

CONTENT: this proposal seeks to **set cost-effective CO2 emission reduction targets for new light-duty vehicles up to 2030** combined with a dedicated incentive mechanism to increase the share of zero/low-emission vehicles. More specifically, it will provide a clear signal and predictability for industry to invest, stimulate employment, foster innovation and competitiveness.

In concrete terms, the proposed revision:

- specifies the EU fleet wide CO2 targets applicable to new passenger cars and new light commercial vehicles from **2020, 2025 and 2030**. The Regulation shall repeal Regulations (EC) No 443/2009 and (EU) No 510/2011 and shall apply from 2020 in order to ensure a coherent transition to a new target regime starting from 2025. It therefore includes the already established EU fleet wide targets for 2020 of 95g/km (NEDC based) for passenger cars and 147g/km (NEDC based) for light commercial vehicles, as well as new targets for 2025 and 2030. Starting from 2021, the specific emission targets will be based on the new emissions test procedure, the **Worldwide Harmonised Light Vehicle Test Procedure** (WLTP);
- defines the **categories of vehicles that fall within the scope of this Regulation** by reference to the type approval legislation. It also clarifies that the *de minimis* exemption applicable to manufacturers responsible for less than 1000 new registrations per year should not apply where a manufacturer eligible for such an exemption nevertheless applies for and is granted a derogation;
- sets out the general obligation for a manufacturer to ensure that the average CO2 emissions of its fleet of newly registered vehicles in a calendar year do not exceed its **annual specific emissions target**. Specific targets are laid down in the proposal. From 2025, the specific emissions target for a manufacturer should be calculated taking into account the share of zero- and low-emission vehicles in the manufacturer's fleet;
- sets out the formula for calculating the **financial penalties** in case a manufacturer exceeds its target. The **excess emission premium** from the existing Regulations is maintained, i.e. **95 euro/g CO2/km**;
- maintains the possibility for **small volume manufacturers** (i.e. those responsible for 1 000 to 10 000 registrations for cars, and 1 000 to 22 000 registrations for vans) to **apply for a derogation** from their specific emissions targets.
- provides an **empowerment for the Commission** to monitor and assess the real world representativeness the WLTP test procedure and to ensure that the public is informed;
- clarifies the process for **adjusting the reference mass value** to ensure that the specific emission targets continue to reflect the EU fleet wide target;
- includes a requirement for the Commission to provide a **report in 2024** on the effectiveness of this Regulation, where appropriate accompanied by a proposal.

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 European Union as regards the interpretation of the eligibility criteria for derogations, the content of the applications, and the content and assessment of programmes for the reduction of specific emissions of CO2.