

## REVISION OF CO2 EMISSION PERFORMANCE STANDARDS FOR CARS AND VANS, AS PART OF THE EUROPEAN GREEN DEAL

[TABLED]

> FIT FOR 55 PACKAGE UNDER THE EUROPEAN GREEN DEAL



#### CONTENT

On 14 July 2021, as part of the 'Fit for 55' package, the Commission presented a legislative proposal for a revision of the Regulation (EU) 2019/631 setting CO2 emission performance standards for passenger cars and light commercial vehicles. The proposal has three principal objectives:

- 1. contribute to the EU 2030 and 2050 climate objectives by reducing CO2 emissions of cars and vans, considering that early action is important because of the lifetime of the vehicles,
- 2. deliver benefits to citizens through wider deployment of zero emission vehicles, in the form of better air quality, energy savings and lower cost of vehicle ownership,
- 3. stimulate innovation in zero-emission technologies, strengthen the technological leadership of the EU manufacturers and suppliers and create employment in the sector.

The current legislation on CO2 emission performance standards for new cars and light commercial vehicles, Regulation (EU) 2019/631, sets targets for the EU fleet-wide average CO2 emissions. Average CO2 emissions from new passenger cars and vans registered in the EU will have to be 37.5 % lower in 2030, compared to the limits in 2021 (95g CO2/km). For new vans, the reduction target is 31 % by 2030 (compared to 147 g CO2/km in 2021). A dedicated incentive mechanism aims to accelerate the market uptake of zero- and low-emission vehicles.

The proposal amends Regulation (EU) 2019/631 to set more ambitious standards for reducing the CO2 emissions of new cars and vans. Compared to the CO2 emission targets applicable in 2021, the emissions of new passenger cars registered in the EU would have to be 55 % lower, and the emissions of new vans would have to be 50 % lower. By 2035 of new passenger cars and vans CO2 emissions would have to be reduced by 100 %, i.e. all new vehicles would have zero emissions. The incentive for zero and lowemission vehicles would stop to apply from 2030.

From 2030, only manufacturers responsible for less than 1 000 new vehicle registrations would be able to apply for a derogation from the specific emissions target. The derogation for manufacturers responsible for between 1 000 and 10 000 cars or between 1 000 and 22 000 vans will end in 2029.

The Commission would have to report on the progress towards zero-emission road mobility by 31 December 2025 and every two years thereafter. Based on the reporting, the Commission would have to review the effectiveness and impact of the Regulation in 2028.

The annexes of the regulation would be amended with a view to adjusting the formulae for calculating the EU fleet-wide targets for 2030 and setting the formulae for 2035 as well as the annual specific emission targets for each manufacturer.

The Commission prepared an inception impact assessment (roadmap) for the update of the CO2 emission performance standards, on which a public consultation was held from 13 November 2020 to 5 February 2021.

The European Economic and Social Committee adopted an opinion on the Commission's proposal (rapporteur: Dirk Bergrath, Workers – Group II, Germany) during the plenary session of 19-20 January 2022. The European Committee of the Regions adopted an opinion on zero-emission road transport (rapporteur: Adrian Teban, EPP, Romania) on 27 January 2022.

In the European Parliament, the proposal has been referred to the Committee on Environment, Public Health and Food Safety (ENVI). Jan Huitema (Renew, Netherlands) was appointed as rapporteur. He presented his draft report on 8 December 2021. The ENVI Committee adopted its report on 11 May 2022. It supports the proposed 2030 and 2035 targets, would abolish the post-2025 incentive mechanism for zero and low emission vehicles (ZLEV) and gradually reduce the maximal contribution of eco-innovations towards manufacturers' targets. By the end of 2023, the Commission would have to assess the need for targeted funding to ensure a just transition in the automotive sector. By 2023, the Commission would have to present a common EU methodology for lifecycle assessment of CO2 emissions of cars and vans, as well as for the fuels and energy consumed by these vehicles. Manufacturers would be able to report vehicles' lifecycle CO2 emissions on a voluntary basis from January 2024, and such reporting would become mandatory from January 2028. By December 2023, the Commission would have to establish a methodology for measuring and comparing the efficiency of ZLEVs based on the amount of electricity needed to drive 100 kilometres. By December 2024, the Commission would have to present a legislative proposal to set minimum energy efficiency thresholds for new cars and vans.

The Parliament adopted the report during the June I 2022 plenary session with 339 votes in favour, 249 against and 24 abstentions. The file was referred back to the ENVI Committee with a mandate for trilogue negotiations.

In the Council, environment ministers held a first exchange on the Fit for 55 package at an informal meeting on 20 July 2021. The Council adopted its general approach on 29 June 2022, largely following the Commission's proposal.

#### **References:**

• EP Legislative Observatory, <u>Procedure file on CO2 emission standards for cars and vans. 'Fit for 55 package'</u>, 2021/0197(COD)



- European Commission, Proposal for a regulation amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition, COM (2021)556
- European Commission, <u>Communication on 'Fit for 55': delivering the EU's 2030 climate target on the way to climate neutrality</u>, COM(2021)550
- Regulation (EU) 2019/631 of 17 April 2019 setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011
- European Parliament, <u>Committee on the Environment</u>, <u>Public Health and Food Safety report on the proposal for a regulation amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition, 2021/0197(COD)</u>
- European Parliament, Amendments adopted by the European Parliament on 8 June 2022 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition, 2021/0197(COD)
- Council, Fit for 55 package Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition General approach, 10686/22
- European Economic and Social Committee, <u>EESC opinion: CO2 emission performance standards for new passenger cars and new light commercial vehicles</u>, INT/960-EESC-2021-04839
- European Committee of the Regions, <u>Towards zero emission road transport: Deploying alternative fuels infrastructure and strengthening CO2 emission performance standards</u>, CDR 4913/2021

### **Further reading:**

- European Parliament, EPRS, <u>CO2 emission standards for new cars and vans: 'Fit for 55' package</u>, Briefing, Legislation in progress, July 2022
- European Parliament, EPRS, '<u>Fit for 55' legislative package: Strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles</u>, Briefing, Initial appraisal of the impact assessment, November 2021
  - European Parliament, EPRS, *Transport CO2 emissions in focus*, At a glance, October 2020

Author: Gregor Erbach, Members' Research Service, <a href="legislative-train@europarl.europa.eu">legislative-train@europarl.europa.eu</a>



# Visit the European Parliament pages on <u>climate change</u>.

As of 20 September 2022.



RAPPORTEUR Jan HUITEMA ENVI - PECH - AGRI