

CO2 emission standards for cars and vans

2021/0197(COD) - 25/04/2023 - Final act

PURPOSE: to set stricter CO2 emission performance standards for new cars and vans.

LEGISLATIVE ACT: Regulation (EU) 2023/851 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.

CONTENT: as part of the 'Fit for 55' package, the proposed regulation aims to **amend the CO2 emission performance standards for new cars and vans** in order to contribute to the EU's 2030 and 2050 climate targets. The new rules aim to reduce emissions from road transport that has the highest share of emissions from transport - and provide the right push for the automotive industry to shift towards zero-emission mobility while ensuring continued innovation in the industry.

Carbon neutrality for passenger cars and light commercial vehicles in 2035

The new rules set the following targets:

- **55%** CO2 emission reductions for new cars and **50%** for new vans from 2030 to 2034 compared to 2021 levels;

- **100%** CO2 emission reductions for both new cars and vans **from 2035**.

A regulatory incentive mechanism for zero- and low-emission vehicles (ZLEV) will be in place from 2025 until the end of 2029. As part of this mechanism, if a manufacturer meets certain benchmarks for the sales of zero- and low-emission vehicles it can be rewarded with less strict CO2 targets. The benchmark is set at **25%** for cars and **17%** for vans.

Synthetic fuels

Following consultation with stakeholders, the Commission will make a proposal for registering after 2035 vehicles running exclusively on **CO2 neutral fuels** in conformity with Union law, outside the scope of the fleet standards, and in conformity with the Union's climate-neutrality objective.

Life cycle CO2 emissions

An EU common methodology will be developed by the Commission by 2025 to assess the lifecycle CO2 emissions of passenger cars and light commercial vehicles that are placed on the EU market, as well as the fuels and energy consumed by these vehicles.

Derogation for certain manufacturers

Manufacturers responsible for small production volumes in a calendar year (between 1 000 and 10 000 new cars or between 1 000 and 22 000 new vans) will be eligible for a derogation until the end of 2035.

Gradual reduction of the ceiling for eco-innovation

The Regulation provides for a gradual reduction of the cap of emission credits that manufacturers can receive for eco-innovations that verifiably reduce CO₂ emissions on the road, to maximum 4g/km per year from 2030 until the end of 2034 (currently set at 7g/km per year).

CO₂ emissions and real-world fuel or energy consumption

In order to prevent the real-world emissions gap from growing, the Commission will, no later than 1 June 2023, assess how real-world fuel and energy consumption data collected may be used to ensure that the vehicle CO₂ emissions and fuel or energy consumption values determined pursuant to Regulation (EC) No 715/2007 remain representative of real-world emissions over time for each manufacturer.

Review clause

The Regulation includes a review clause that foresees that in 2026, the Commission will thoroughly assess the progress made towards achieving the 2035 100% emission reduction targets and the possible need to review them. The review will take account of technological developments, including with regard to plug-in hybrid technologies and the importance of a viable and socially equitable transition towards zero emissions.

ENTRY INTO FORCE: 15.5.2023.