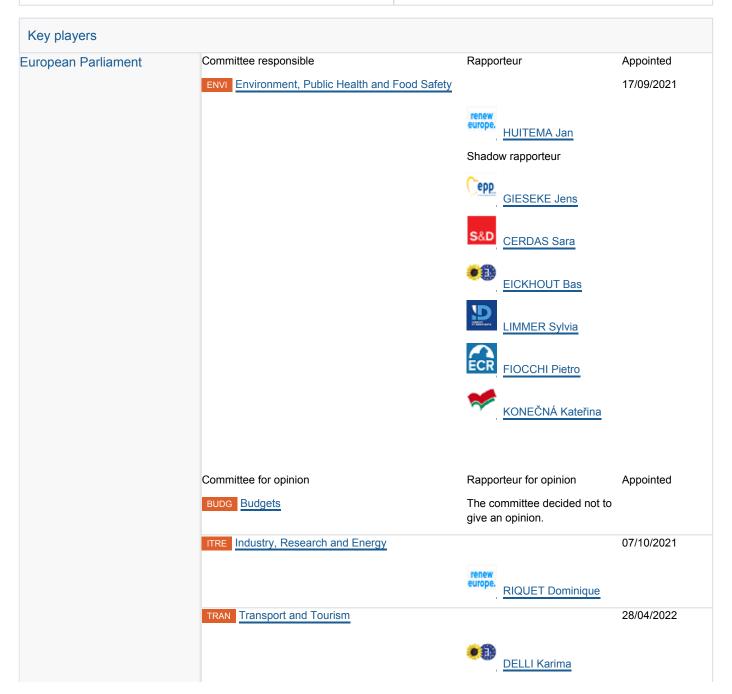
# Procedure file

# **Basic information** 2021/0197(COD) Procedure completed COD - Ordinary legislative procedure (ex-codecision procedure) Regulation CO2 emission standards for cars and vans Amending Regulation 2019/631 2017/0293(COD) Subject 2.10.03 Standardisation, EC/EU standards and trade mark, certification, compliance 3.20.05 Road transport: passengers and freight 3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural 3.70.02 Atmospheric pollution, motor vehicle pollution Legislative priorities Joint Declaration 2021 Joint Declaration 2022



Council of the European Union European Commission

Commission DG

Commissioner

Climate Action

European Economic and Social Committee European Committee of the Regions ction TIMMERMANS Frans

ey events			
14/07/2021	Legislative proposal published	COM(2021)0556	Summary
13/09/2021	Committee referral announced in Parliament, 1st reading		
11/05/2022	Vote in committee, 1st reading		
18/05/2022	Committee report tabled for plenary, 1st reading	A9-0150/2022	Summary
07/06/2022	Debate in Parliament	-	
08/06/2022	Decision by Parliament, 1st reading	T9-0234/2022	Summary
08/06/2022	Matter referred back to the committee responsible		
01/12/2022	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE738.776 GEDA/A/(2022)007140	
14/02/2023	Results of vote in Parliament	<u> </u>	
14/02/2023	Debate in Parliament	<b>—</b>	
14/02/2023	Decision by Parliament, 1st reading	T9-0039/2023	Summary
28/03/2023	Act adopted by Council after Parliament's 1st reading		
19/04/2023	Final act signed		
25/04/2023	Final act published in Official Journal		

Technical information	
Procedure reference	2021/0197(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation 2019/631 2017/0293(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 192-p1
Mandatory consultation of other institutions	European Economic and Social Committee  European Committee of the Regions
Stage reached in procedure	Procedure completed

Committee dossier	ENVI/9/06911
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Documentation gateway					
Legislative proposal		COM(2021)0556	14/07/2021	EC	Summary
Document attached to the procedure		SEC(2021)0556	14/07/2021	EC	
Document attached to the procedure		SWD(2021)0188	14/07/2021	EC	
Document attached to the procedure		SWD(2021)0613	14/07/2021	EC	
Document attached to the procedure		SWD(2021)0614	14/07/2021	EC	
Committee draft report		PE697.678	08/12/2021	EP	
Amendments tabled in committee		PE704.659	02/02/2022	EP	
Amendments tabled in committee		PE704.795	11/02/2022	EP	
Committee opinion	ITRE	PE703.089	29/04/2022	EP	
Committee opinion	TRAN	PE699.331	02/05/2022	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0150/2022	18/05/2022	EP	Summary
Text adopted by Parliament, partial vote at 1st reading/single reading		<u>T9-0234/2022</u>	08/06/2022	EP	Summary
Coreper letter confirming interinstitutional agreement		GEDA/A/(2022)007140	16/11/2022	CSL	
Text agreed during interinstitutional negotiations		PE738.776	16/11/2022	EP	
Text adopted by Parliament, 1st reading/single reading		<u>T9-0039/2023</u>	14/02/2023	EP	Summary
Commission response to text adopted in plenary		SP(2023)154	12/04/2023	EC	
Draft final act		00066/2022/LEX	19/04/2023	CSL	

## Additional information

Research document Briefing 10/02/2022

## Final act

Regulation 2023/851

OJ L 110 25.04.2023, p. 0005 Summary

# CO2 emission standards for cars and vans

PURPOSE: to revise 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 Unions increased climate ambition.

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: transport is the only sector where greenhouse gas (GHG) emissions have been on the rise. The GHG emissions from road transport are no exception. They represent almost 20% of total EU GHG emissions and have significantly increased since 1990. Air quality continues to be impacted by traffic and congestion, leading to increasing number of cities introducing low and zero-emission zones restricting

local access for vehicles with internal combustion engines and to certain Member States announcing the phase-out of sales of internal combustion engine cars.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The <u>European Climate Law</u> has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a complementary and interconnected set of proposals as part of the 2030 Climate and Energy Fit for 55 package to achieve the greenhouse gas emission reduction target of at least 55% compared to 1990. This Fit for 55 legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution, including road transport.

CONTENT: with this proposal, the Commission aims to contribute to the reduction of greenhouse gas emissions in the EU to achieve the updated target for 2030 and climate neutrality by 2050 by setting strengthened CO2 emission performance standards for passenger cars and light commercial vehicles.

The proposal should ensure that CO2 emissions from light-duty vehicles are reduced, provide benefits to consumers in term of air quality and energy savings, and strengthen the technological leadership of the EU automotive value chain. Additional co-benefits are expected to be increased energy efficiency and energy security.

A combination of measures is required to tackle rising emissions in road transport to complement emissions trading. Stronger CO2 emissions standards for cars and vans will accelerate the transition to zero-emission mobility. Under the proposal, average emissions of new cars should be reduced by 55% from 2030 and 100% from 2035 compared to 2021 levels. For new vans, the net reduction targets would be 50% and 100% respectively.

To ensure that drivers are able to charge or fuel their vehicles at a reliable network across Europe, the <u>revised Alternative Fuels Infrastructure Regulation</u> will require Member States to expand charging capacity in line with zero-emission car sales, and to install charging and fuelling points at regular intervals on major highways: every 60 kilometres for electric charging and every 150 kilometres for hydrogen refuelling.

In addition, the proposal:

- introduces derogations for certain manufacturers responsible for between 1 000 and 10 000 new passenger cars or between 1 000 and 22 000 new light commercial vehicles in a calendar year to apply for a derogation from the specific emission targets is removed from 2030 onwards. Manufacturers responsible for less than 1 000 new vehicle registrations per calendar year continue to be exempt;
- sets out the obligation for the Commission to report on the progress towards zero-emission road mobility and assess the need for possible additional measures to facilitate the transition;
- amends the Annexes with a view to: (i) 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 and removing the application of the zero- and low-emission vehicle (ZLEV) factor from 2030 onwards and; (ii) adjusting the formulae for determining the slope values required for calculating the annual specific emission targets. This adjustment is made in order to ensure a fair distribution of the reduction burden between manufacturers of lighter light commercial vehicles and those manufacturing heavier vehicles of that category.

# CO2 emission standards for cars and vans

The Committee on the Environment, Public Health and Food Safety adopted the report by Jan HUITEMA (Renew, NL) 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 Unions increased climate ambition.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

2035 zero-emission road mobility

Members backed the Commission's proposal to achieve zero-emission road mobility by 2035. Under the proposal, emissions from new passenger cars registered in the EU by 2030 should be 55% lower and emissions from new vans should be 50% lower. By 2035, CO2 emissions from new cars and vans should be reduced by 100%, meaning that all new vehicles would have zero emissions.

Members backed the proposed targets for 2030 and 2035 but increased the emissions reduction target for 2025 from 15% to 20%.

Targeted funding for the just transition

By 31 December 2023, the Commission should present a report detailing the need for targeted funding to ensure a just transition in the automotive sector, with the aim of mitigating the negative employment and other economic impacts in all Member States concerned, in particular in the regions and communities most affected by the transition.

The report would be accompanied, if appropriate, by a legislative proposal to establish an EU funding instrument to address this need.

The proposed measures also include:

- the abolition of the incentive mechanism for zero and low emission vehicles ('ZLEV') after 2025;
- the gradual reduction of the total contribution of eco-innovations to a manufacturer's average specific CO2 emissions reduction (the existing limit of 7g CO2/km should remain unchanged until 2024, before falling to 5g in 2025, 4g in 2027 and 2g by the end of 2034);
- Commission proposals by 31 December 2023 for minimum ecodesign requirements for all new passenger cars and light commercial vehicles;
- a common European methodology to be proposed by the Commission, by 2023, for assessing the full life cycle emissions of cars and vans placed on the EU market, as well as for the fuels and energy consumed by these vehicles;

- a Commission report on progress towards zero-emission road mobility by the end of 2025 to be reviewed annually thereafter addressing the impact on consumers and employment, the share of renewables, and information on the used car market;
- additional measures to support the demand for zero-emission passenger cars and light-commercial vehicles in the Union market, including through incentivising private companies with a certain fleet size to transition to zero-emission mobility;
- harmonising type-approval rules for vehicles with internal combustion engines converted to battery or fuel cell electric vehicles to allow for series approval.

### CO2 emission standards for cars and vans

The European Parliament adopted by 339 votes to 249, with 24 abstentions, amendments to 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 Unions increased climate ambition.

The issue was referred to the committee responsible for inter-institutional negotiations.

As part of the 'Fit for 55' package, the proposed Regulation aims to amend the CO2 emission performance standards for new passenger cars and new light commercial vehicles in order to contribute to the EU 2030 and 2050 climate objectives.

2035 zero-emission road mobility

Parliament backed the Commission's proposal to achieve zero-emission road mobility by 2035. Under the proposal, emissions from new passenger cars registered in the EU by 2030 should be 55% lower and emissions from new vans should be 50% lower. By 2035, CO2 emissions from new cars and vans should be reduced by 100%, meaning that all new vehicles would have zero emissions.

Targeted funding for the just transition

By 31 December 2023, the Commission should present a report detailing the need for targeted funding to ensure a just transition in the automotive sector, with the aim of mitigating the negative employment and other economic impacts in all Member States concerned, in particular in the regions and communities most affected by the transition.

The report would be accompanied, if appropriate, by a legislative proposal to establish an EU funding instrument to address this need.

Gradual reduction of the cap for eco-innovation

The total contribution of those technologies to reducing the average specific emissions of CO2 of a manufacturer may be up to:

- 7 g CO2/km until 2024;
- 5 g CO2/km from 2025;
- 4 g CO2/km from 2027;
- 2 g CO2/km from 2030 until and including 2034.

#### Ecodesign

The Commission should make proposals by 31 December 2023 for the establishment of minimum ecodesign requirements for all new passenger cars and light commercial vehicles, including energy efficiency, durability and repairability requirements for essential parts such as lights, electronic components and batteries, minimum requirements for the recovery of metals, plastics and critical raw materials.

Other measures proposed include:

- the publication, by 2023 at the latest, of a report setting out a common EU methodology for the assessment and consistent data reporting of the full life-cycle CO2 emissions of light duty vehicles that are placed on the EU market, including a methodology for the assessment of full life-cycle CO2 emissions of fuels and energy consumed by such vehicles;
- the possibility for manufacturers, as from 1 January 2024, to submit on a voluntary basis, data on the life-cycle CO2 emissions of passenger cars and light vans on the EU market to the competent authorities and Member States, which would then communicate them to the Commission;
- the adoption by the Commission, no later than 31 December 2023, of delegated acts to supplement the Regulation by establishing a methodology for measuring and comparing the efficiency of zero- and low-emission vehicles based on the amount of electricity needed to drive 100 kilometres;
- the presentation by the Commission, by 31 December 2024, of a legislative proposal to set minimum energy efficiency thresholds for new zero-emission passenger cars and light commercial vehicles placed on the Union market;
- a Commission report on progress towards zero-emission road mobility by the end of 2025 to be reviewed annually thereafter addressing the impact on consumers and employment, progress in increasing the amount of renewable energy in the EU, life-cycle emissions from new passenger cars and light commercial vehicles placed on the EU market, and the market for second-hand vehicles;
- the submission by the Commission, by 28 February 2023, of a legislative proposal to increase the share of zero-emission vehicles in public and corporate light-duty vehicle fleets;
- Member States to take into account the energy efficiency first principle in policy, planning and investment decisions related to the deployment of recharging and refuelling infrastructure of alternative fuels, including as regards the well-to-wheel energy efficiency of different zero emission technologies;
- the adoption, no later than six months after the date of entry into force of the regulation, of a delegated act to harmonise the type-approval rules for vehicles with internal combustion engines converted to battery or fuel cell electric drive, in order to allow for series approval.

## CO2 emission standards for cars and vans

The European Parliament adopted by 340 votes to 279, with 21 abstentions, a legislative resolution 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 Unions increased climate ambition.

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 European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

Carbon neutrality for passenger cars and light commercial vehicles in 2035

The new legislation would raise the CO2 emission reduction targets for new cars and vans by 2030 to 55% for cars and 50% for vans. Parliament also approved the introduction of a 100% CO2 reduction target by 2035 for new cars and vans.

In 2026, the Commission will assess progress towards the 100% emission reduction targets and the need to review these targets taking into account technological developments, including plug-in hybrid technologies, and the importance of an economically viable and socially fair transition to zero emission mobility.

Life-cycle CO2 emissions

The Commission will by 31 December 2025 publish a report setting out a methodology for the assessment and the consistent data reporting of the full life-cycle CO2 emissions of passenger cars and light commercial vehicles that are placed on the Union market.

The Commission will adopt delegated acts in order to supplement this Regulation by laying down a common Union methodology for the assessment and the consistent data reporting of the full life-cycle CO2 emissions of passenger cars and light commercial vehicles.

From 1 June 2026, manufacturers may, on a voluntary basis, submit to the Commission the life-cycle CO2 emissions data for new passenger cars and new light commercial vehicles using the methodology.

Derogation for certain manufacturers

Manufacturers responsible for small production volumes in a calendar year (1 000 to 10 000 new cars or 1 000 to 22 000 new vans) may be granted a derogation until the end of 2035 (those registering fewer than 1 000 new vehicles per year continue to be exempt).

An application for a derogation from the specific emissions target may be made for the years until and including the calendar year 2028 by a manufacturer which is responsible, together with all of its connected undertakings, for between 10 000 and 300 000 new passenger cars registered in the Union per calendar year.

Gradual reduction of the ceiling for eco-innovation

The eco-innovation credits that can be claimed by a manufacturer are currently capped at 7 g CO2/km. That cap should be adjusted downwards in line with the target levels, in order to ensure a balanced proportion of the level of that cap in relation to the average specific emissions of CO2 of manufacturers.

The total contribution of those technologies to reducing the average specific emissions of CO2 of a manufacturer may be up to:

- 7 g CO2/km until 2024;
- 6 g CO2/km from 2025 until 2029;
- 4 g CO2/km from 2030 until and including 2034.

CO2 emissions and real-world fuel or energy consumption

In order to avoid a widening gap with in-use emissions, the Commission will, no later than 1 June 2023, assess how in-use fuel and energy consumption data can be used to ensure that the CO2 and fuel/energy consumption values of vehicles remain representative of in-use emissions over time for each manufacturer.

The Commission will: (i) monitor and report annually on how the gap referred to in the first subparagraph evolves from 2021 onwards and (ii) as soon as sufficient data is available, and no later than 31 December 2026, publish a report setting out a methodology for a mechanism to adjust the average specific emissions of CO2 of the manufacturer as of 2030 using real-world data collected pursuant to Implementing Regulation (EU) 2021/392, and assessing the feasibility of such a mechanism.

Zero- and low- emission vehicles (ZLEV) incentive mechanism

This mechanism may be adapted to meet expected sales trends. From 2025 to 2029, the ZLEV benchmark is set at 25% for the sales of new cars, and 17% for new vans, and as of 2030 the incentive will be removed.

Progress report

By 31 December 2025, and every two years thereafter, the Commission will submit a report on progress towards zero emission road mobility. The report will examine:

- progress in the deployment of zero- and low-emission vehicles, in particular in the light commercial vehicles segment, as well as the measures at Union, Member State and local level to facilitate Member States transition to zero- emission light-duty vehicles;
- progress in the energy efficiency and affordability of zero- and low-emission vehicles;
- the impacts on consumers, particularly on low- and medium-income households, including on electricity prices;
- analysis of the market for second-hand vehicles;

- the potential contribution in terms of CO2 savings of additional measures aimed to lower the average age and thus the emissions of the light-duty vehicles fleet, such as measures to support the phase out of older vehicles in a socially just and environmentally sound manner;
- the impacts on employment in the automotive sector, especially on micro, small and medium-sized enterprises (SMEs), and the effectiveness of measures to support retraining and upskilling of the workforce.

By 31 December 2024, the Commission will review Directive 1999/94/EC considering the need to provide consumers with accurate, robust and comparable information on the fuel and energy consumption, CO2 emissions and air pollutant emissions of new passenger cars placed on the market, including under real-world conditions, as well as evaluate the options for introducing a fuel economy and CO2 emissions label for new light commercial vehicles. The review will be accompanied, if appropriate, by a legislative proposal.

### CO2 emission standards for cars and vans

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 Unions 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 Unions 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.

Transparency				
GIESEKE Jens	Shadow rapporteur	ENVI	07/12/2022	CORP AGENCY
GIESEKE Jens	Shadow rapporteur	ENVI	17/11/2022	Zentralverband Deutsches Kraftfahrzeuggewerbe

GIESEKE Jens	Shadow rapporteur	ENVI	16/11/2022	MAHLE GmbH
HUITEMA Jan	Rapporteur	ENVI	25/10/2022	Formula 1
LIMMER Sylvia	Shadow rapporteur	ENVI	19/10/2022	Mazda Motor Logistics Europe N.V. Repsol, S.A.
GIESEKE Jens	Shadow rapporteur	ENVI	18/10/2022	Volkswagen
LIMMER Sylvia	Shadow rapporteur	ENVI	18/10/2022	Mazda Motor Logistics Europe N.V.
EICKHOUT Bas	Shadow rapporteur	ENVI	12/10/2022	Daimler Truck AG Mercedes-Benz Group AG
HUITEMA Jan	Rapporteur	ENVI	05/10/2022	Formula 1
LIMMER Sylvia	Shadow rapporteur	ENVI	05/10/2022	Fuels Europe
BALT Marek Pawe?	Member	26/10/2023	ZF Czestochowa	
SOLÍS PÉREZ Susana	Member	25/10/2022	Seat	
KOHUT ?ukasz	Member	01/06/2022	Fundacja Promocji Pojazdów Elektrycznych	
DANTI Nicola	Member	30/05/2022	IVECO GROUP N.V.	
DANTI Nicola	Member	22/03/2022	Ferrari	
CARVALHO Maria da Graça	Member	04/02/2022	eFuel Alliance	