New heavy-duty vehicles: CO_2 emission performance standards

2018/0143(COD) - 17/05/2018 - Legislative proposal

PURPOSE: to set mission performance standards for new heavy-duty vehicles.

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: the European strategy for low-emission mobility sets a clear ambition: by mid-century, greenhouse gas emissions from transport will need to be at least 60% lower than in 1990 and be firmly on the path towards zero.
Emissions of air pollutants from transport that harm our health need also to be drastically reduced without delay.
Light-duty vehicles (LDV) passenger cars and light commercial vehicles (vans) - are already delivering their share of emission reductions and legislation has been proposed in 2017 so that they continue doing so after 2020.
Lorries carry around 70% of freight transported over land, delivering also essential public services. While CO2 emissions from heavy-duty vehicles (HDV), i.e. lorries, buses and coaches, account for about 6% of total EU emissions and 25% of road transport CO2 emissions in the EU, they are currently not regulated at EU level. This poses three main problems:
without any further action, CO2 emissions from HDV are projected to grow by 9% over the period 2010 2030 due to increasing transport activities ;

transport operators, mainly SMEs or micro enterprises, and their clients currently miss out on possible fuel savings and reduced fuel bills;

EU HDV manufacturers face increasing global competitive pressures as the United States, Canada, Japan and China have already implemented regulatory measures to reduce HDV CO2 emissions. However, it is necessary for the EU car industry to keep up with the technological improvements introduced in these markets.

This proposal is part of the third Europe on the move package which delivers the new industrial policy strategy of September 2017. The aim of the package is to make European mobility safer and more accessible, European industry more competitive, European jobs more secure and the mobility system cleaner and better adapted to the imperative of tackling climate change.

IMPACT ASSESSMENT: the policy options considered in the impact assessment are grouped into five key elements, aimed to address the identified problems and achieve the policy objectives: (i) EU fleet-wide CO2 emission targets; (ii) distribution of EU fleet-wide target across vehicle groups and manufacturers; (iii) incentives for zero and low-emission vehicles; (iv) elements for cost-effective implementation; and (v) governance related issues.
CONTENT: the proposed Regulation sets CO2 emission performance standards for new heavy-duty vehicles whereby the specific CO2 emissions from the EU fleet of new heavy-duty vehicles are reduced compared to the reference CO2 emissions as follows:

- from 1 January 2025 to 31 December 2029 by 15 %;
- from 1 January 2030 by at least 30 %, subject to review in 2022.

The targets are set as a relative reduction of the average specific emissions of the vehicles registered in the reference year 2019 which is the first year for which official monitored CO2 emissions data will be available. The targets are attributed to each vehicle sub-group as defined in Section 1 of Annex I.

In addition, the proposal:

- defines the vehicles that fall within the scope of this Regulation by reference to the relevant categories defined in type approval legislation and to the four vehicle groups for which certified CO2 emissions data will be available from 2019 onwards;
- provides that the Commission shall determine and publish annually the average specific CO2 emissions of each manufacturer starting from 2019 on the database provided by the relevant manufacturers;
- incentivises the deployment of zero- and low-emission heavy-duty vehicles, those vehicles shall be counted multiple times for the purpose of determining a manufacturers average specific emissions starting from 2019. A specific incentive is also provided for zero-emission heavy-duty vehicles of the categories M2 (buses) and M3 (coaches) as well as certain category N vehicles (small lorries), including zero-emission vocational vehicles;
- provides for the calculation of annual manufacturer specific emission targets for the preceding calendar year, starting in 2026. The first annual targets will therefore be determined for the calendar year 2025;
- sets out a banking and borrowing mechanism, allowing a manufacturer to balance an underachievement of its specific emission target in one year by the overachievement in another year. For that purpose, the manufacturer may bank emission credits, if its emissions are lower than a reduction trajectory determined as a linear trajectory from the 2019 reference CO2 emissions to the 2025 targets and from the 2025 targets;
- imposes financial penalties in case of non-compliance with the specific CO2 emission targets.

The level of the premium is set at EUR 6 800 per g/tkm, equivalent to EUR 570 per g/km based on an average payload of 12 tonnes, of excess emissions which reflect the marginal cost of CO2 reducing technologies.

BUDGETARY IMPLICATIONS: the budgetary impact resulting from the implementation of the proposed Regulation is very limited. It is estimated at EUR 1.888 million for the years 2019-2020.