

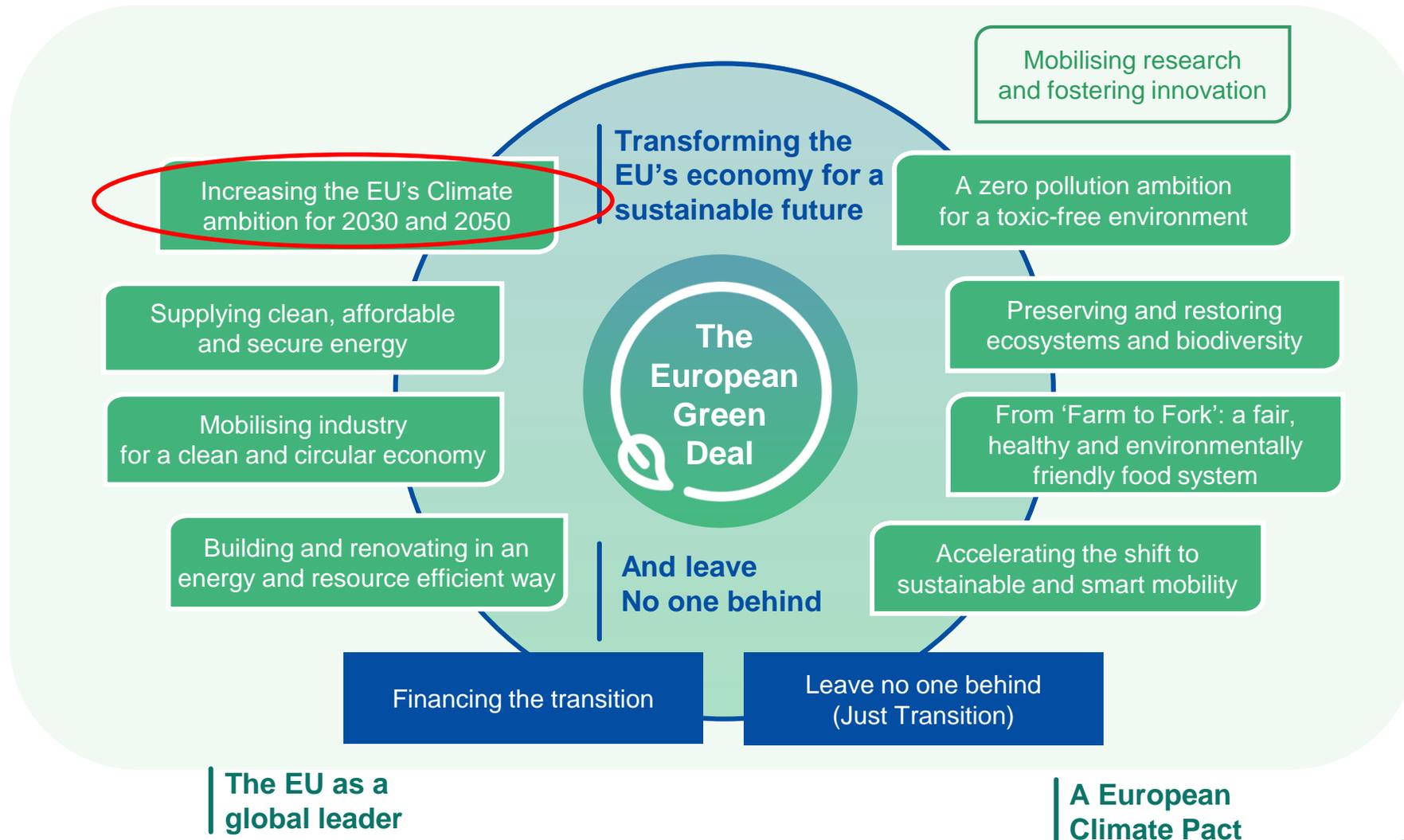


Delivering the **European Green Deal**

Proposal on the revision of the CO₂ emission standards
for cars and vans

AutoEvent 2021, 31 August 2021

The European Green Deal



The European Climate Law

- The European Climate Law (July 2021). It enshrines into legislation the new 2030 target of at least 55% net greenhouse gas emissions reduction and sets the objective of Union-wide climate neutrality by 2050.
- The European Climate Law Regulation of 30 June 2021
- Union-wide climate-neutrality objective 2050
- New **2030** target of at **least 55% net** greenhouse gas emissions reduction
- Recognition of the need to enhance the EU's **carbon sink**

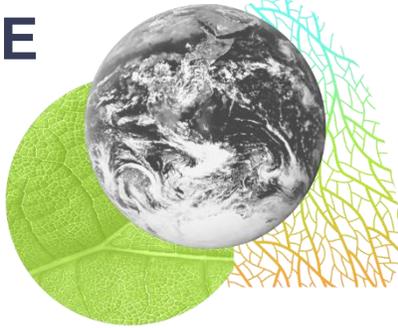
Delivering the European Green Deal

12 interconnected legislative proposals to deliver on the ambitious target and make key sectors of its economy **fit for 2030**. It is a policy mix that respects a balance between **pricing, targets, taxes, standards and support measures**

Pricing	Targets	Rules
<ul style="list-style-type: none">• Stronger Emissions Trading System including in aviation• Extending Emissions Trading to maritime, road transport, and buildings• Updated Energy taxation Directive• New Carbon Border Adjustment Mechanism Targets	<ul style="list-style-type: none">• Updated Effort Sharing Regulation• Updated Land Use Land Use Change and Forestry Regulation• Amended Renewable Energy Directive• Amended Energy Efficiency Directive	<ul style="list-style-type: none">• Stricter CO2 performance for cars & vans• New infrastructure for alternative fuels• ReFuelEU: More sustainable aviation fuels• FuelEU: More and cleaner maritime fuel
Support measures		
<ul style="list-style-type: none">• Using revenues and regulations to promote innovation, build solidarity and mitigate impacts for the vulnerable, notably through the new Social Climate Fund and enhanced Modernisation and Innovation Fund		

'Fit for 55' package

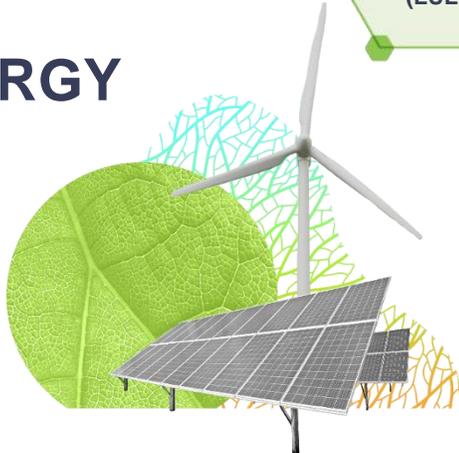
CLIMATE



TRANSPORT



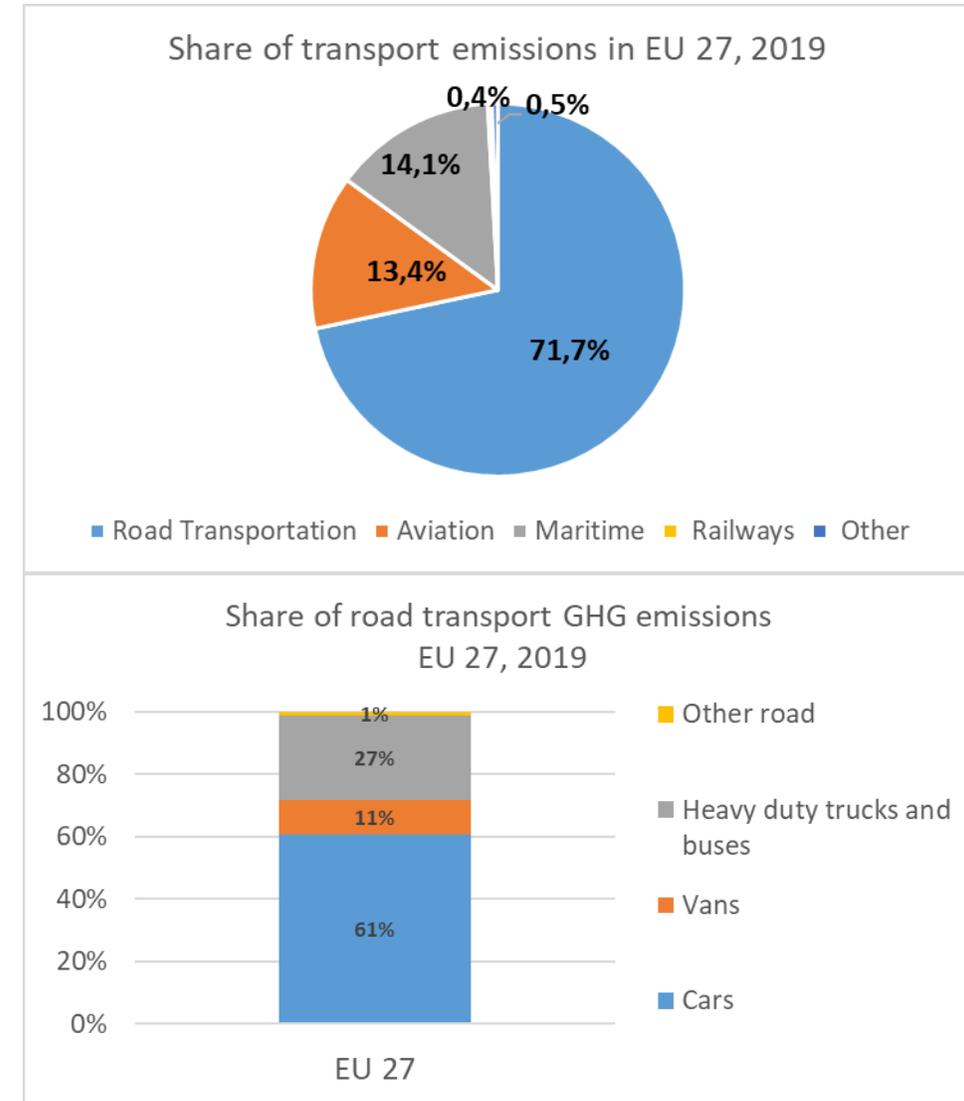
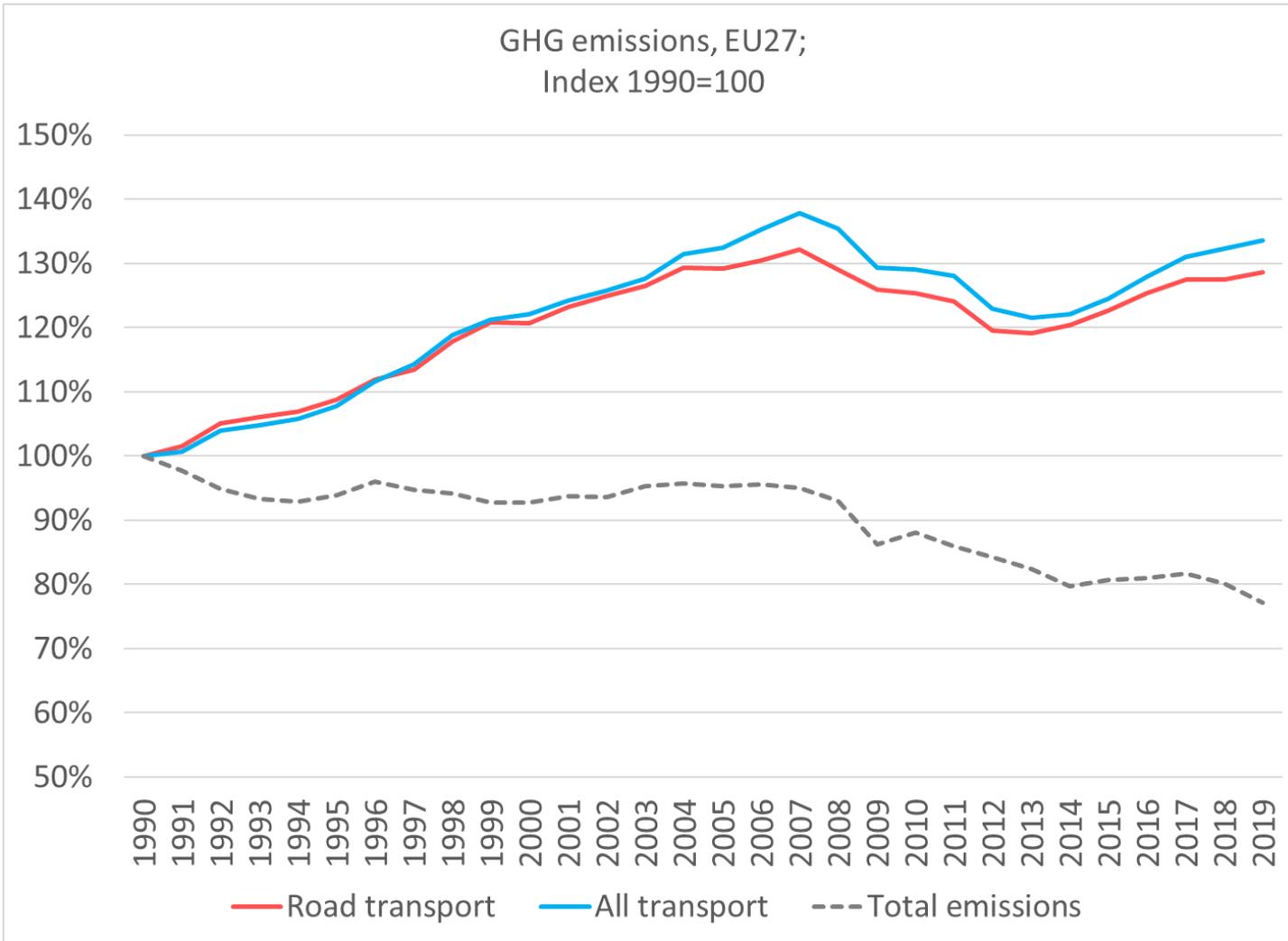
ENERGY



TAXATION AND TRADE



Trends in EU greenhouse gas emissions from transport



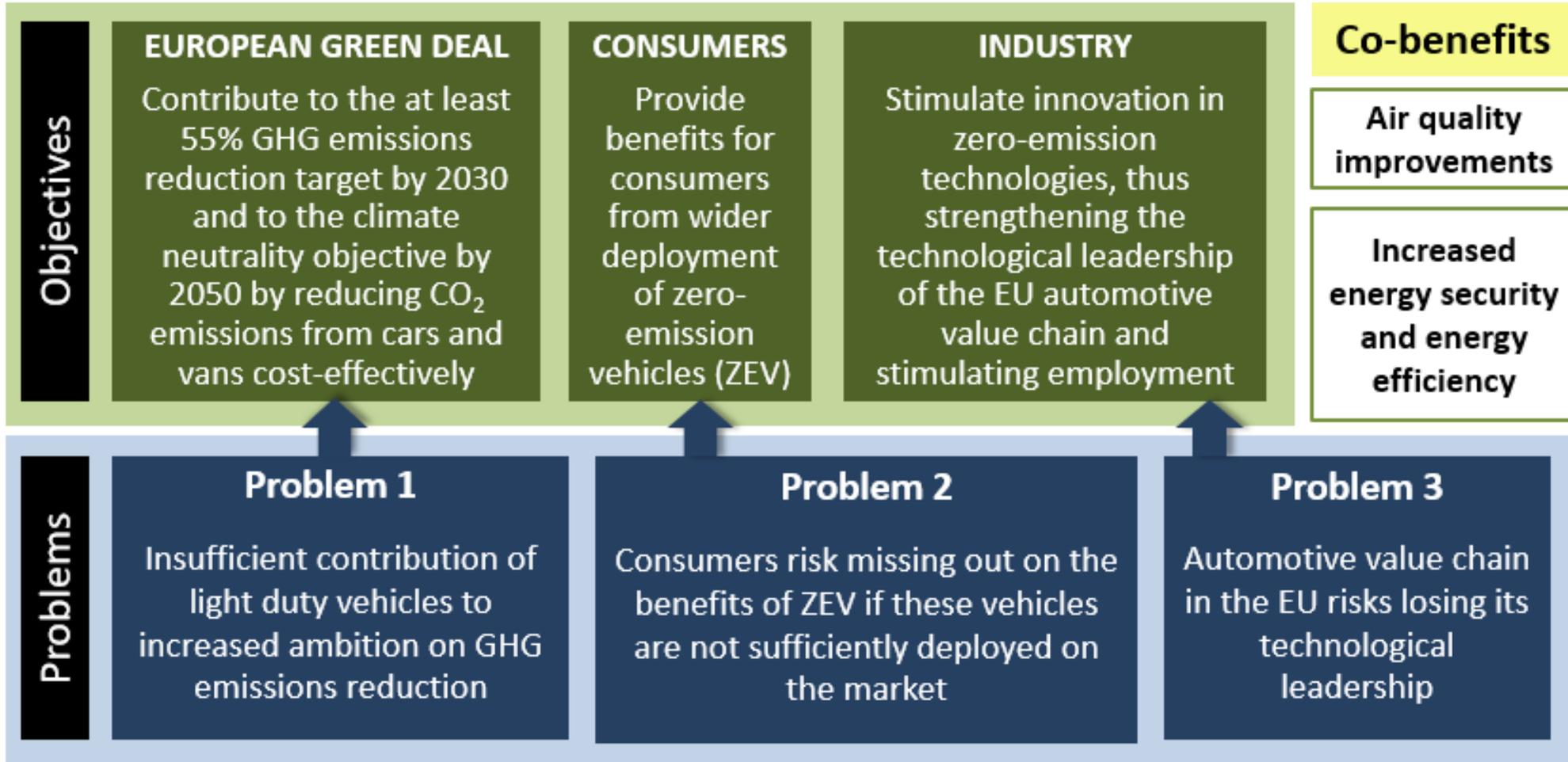
CO₂ emissions from cars and vans - Current trends

- **CO₂ standards** are delivering: key driver for decarbonisation of fleet
 - 2020 surge in the penetration of Zero and Low Emission Vehicles: from 3% in 2019 to 11% of new sales in 2020 as result of new 2020 stricter targets
- Industry: recent **ambitious announcements** from manufacturers towards zero-emission vehicles in their portfolios
- **Global market** for zero-emission vehicles growing rapidly – EU, China, US

Current CO₂ standards (Regulation(EU) 2019/631)

- Targets (g CO₂/km) for EU fleet-wide average tailpipe CO₂ emissions of all new vehicles registered in a given year:
 - until 2024: cars 95g CO₂/km (NEDC); vans 147g CO₂/km (NEDC)
 - 2025-2029: cars and vans -15% reduction vs 2021 (WLTP)
 - from 2030: cars -37.5% reduction vs 2021; vans -31% reduction vs 2021 (WLTP)
- Specific targets for individual manufacturers for compliance assessment
- Incentive scheme for zero- and low-emission vehicles (ZLEV < 50 g CO₂/km)
 - 2020-2022: super-credits (cars only)
 - from 2025 onwards: bonus crediting system: less stringent CO₂ targets if ZLEV benchmarks are exceeded
- Governance & Monitoring provisions including penalties, monitoring of real-world emissions, in-service verification

Problems and Objectives

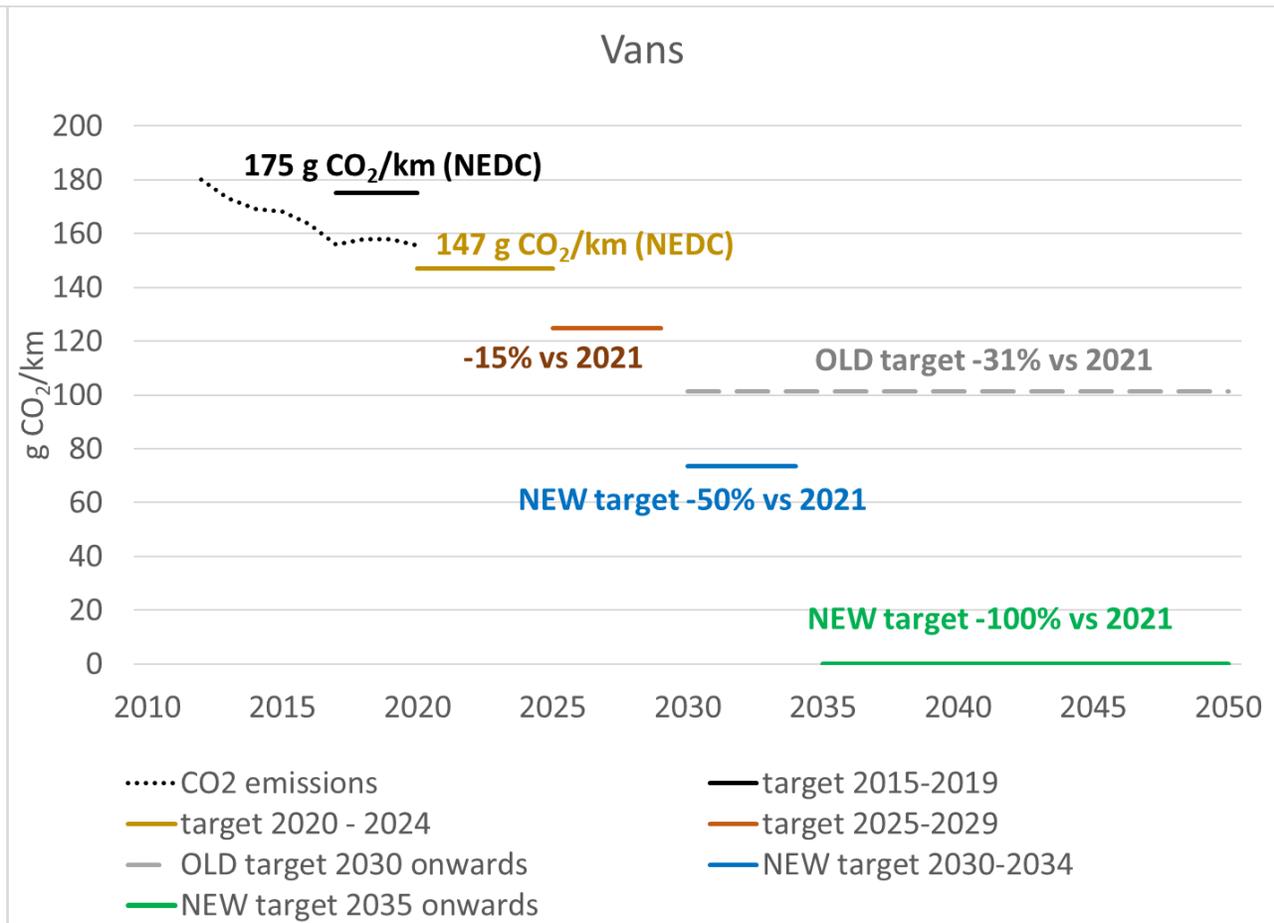
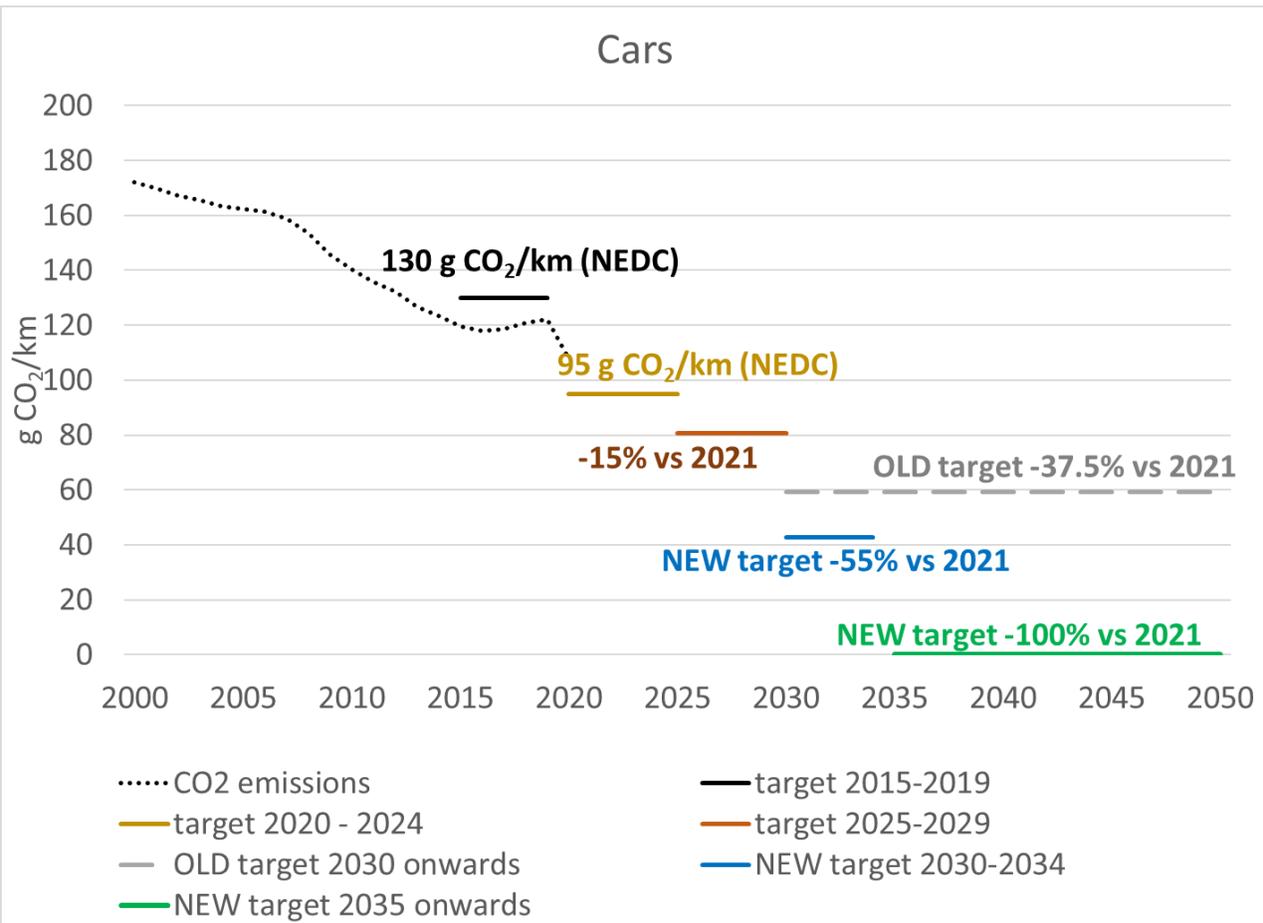


Main elements of the proposal - targets

New CO₂ emission targets

- Proposed EU fleet-wide CO₂ emission reduction targets for new passenger cars and vans as compared to the 2021 target:
 - until 2029: no change
 - from 2030: -55% for cars and -50% for vans,
 - from 2035: -100% for cars and -100% for vans.
- Specific targets for individual manufacturers for compliance assessment

Trends and targets



Main elements of the proposal

Regulatory incentive mechanism for zero- and low-emission vehicles (ZLEV)

- No change until 2029 – remove the mechanism as of 2030
 - originally intended to kick-start the uptake of such vehicles
 - stricter targets applying from 2030 onwards will require manufacturers to deploy significantly more zero-emission vehicles

Derogation for small volume manufacturers

- Manufacturers registering less than 10,000 cars or less than 22,000 vans yearly)
- No change until 2029 - Remove the derogation from 2030

Other elements unchanged

- Monitoring (annual) provisions including penalties, monitoring of real-world emissions, in-service verification
- Eco-innovations
- Pooling

Benefits of strengthened targets

- **Reduction of CO₂ emissions** of cars and vans
 - Fleet-wide projected emission reductions from cars and vans as compared to 2005: 32-33% in 2030, 56-66% in 2035 and 83-89% in 2040
- **Less pollution** and better air quality, especially in urban areas
 - Estimated cumulative external cost savings compared to the baseline due to the avoided pollutant emissions over the period 2030 to 2040 of 50-60 billion euros
- **Cost savings for consumers** over the vehicle lifetime for both first and second user (total cost of ownership)
 - For the first user, average net savings for a new car or van bought in **2030** are 300-600 EUR. They increase to around 1000-2000 for a new **2035** car and 3000-4000 EUR for a 2035 van. Net savings also occur in all cases for the second user.

Benefits of strengthened targets

- Societal benefits: **GDP**, overall positive **employment** impacts except in some specific sectors (reskilling and upskilling of workers needed)
- Reduced **oil imports**
 - cumulative savings of diesel and gasoline around 900-1100 Mtoe achieved for 2030-2050 compared to baseline
- **Innovation in zero emission technologies** will provide opportunities for EU automotive value chain to enhance its **technological leadership** and competitiveness and increase employment in new technologies.

Coherence with other policies of 'Fit for 55'

- CO₂ standards support Member States in meeting their binding **ESR** targets
- CO₂ standards contribute to **Energy Efficiency** objectives
- **Revised ETS and RED** drive decarbonisation of the power generation, to ensure zero-emission vehicles are powered by renewable energy
- **Revised RED** drives decarbonisation of fuels (renewable and low carbon fuels targets)
- **Emissions trading for road transport and buildings**
 - concerns fuel use in entire stock of vehicles (existing and new), while CO₂ standards ensure market supply of **new** efficient and zero-emission vehicles
 - can incentivise demand for more efficient vehicles (helping vehicles manufacturers compliance with CO₂ standards), while CO₂ standards are the key policy to reduce emissions and contribute to lower the carbon price
- **Alternative Fuels Infrastructure Regulation** ensures deployment of infrastructure

Thank you