AT A GLANCE

Plenary – February II 2023



CO₂ emission standards for new cars and vans

The 'fit for 55' package contains several legislative proposals aimed at reducing CO_2 emissions in the transport sector. Emissions in this sector have barely fallen since 2005, because of increased transport demand. One of the proposals addresses road transport emissions by setting stricter CO_2 emission standards for new cars and vans. On 27 October 2022, the Parliament and Council reached a trilogue agreement on the proposal. The vote on the agreed text is expected during the Parliament's February II 2023 plenary session.

Background

Regulation (EU) 2019/631 strengthened earlier standards for the CO_2 emissions of new passenger cars and light commercial vehicles. By 2030, fleet-wide average CO_2 emissions from new cars registered in the EU would have to be 37.5 % lower than in 2021. For new vans, the 2030 reduction target is 31 %. A dedicated incentive mechanism aims to accelerate the market uptake of zero- and low-emission vehicles (ZLEV).

European Commission proposal

On 14 July 2021, as part of the 'fit for 55' package, the Commission presented a legislative <u>proposal</u> for a revision of Regulation (EU) 2019/631. The proposal aims to: contribute to the EU's 2030 and 2050 climate objectives by reducing the CO_2 emissions of cars and vans through wider deployment of zero-emission vehicles; deliver benefits to citizens in the form of better air quality, energy savings and lower cost of vehicle ownership; stimulate innovation in zero-emission technologies; strengthen the technological leadership of EU manufacturers and suppliers; and create employment in the sector.

The proposal sets more ambitious standards for reducing the CO_2 emissions of new cars and vans. Compared to the CO_2 emissions targets applicable in 2021, the emissions of new passenger cars registered in the EU by 2030 would have to be 55 % lower, and those of new vans – 50 % lower. By 2035, CO_2 emissions of new cars and vans would have to fall by 100 %, i.e. all new vehicles would have zero emissions. The incentive mechanism for ZLEVs would cease to apply from 2030. The Commission would have to report on progress towards zero-emission road mobility every two years.

European Parliament position

The Parliament adopted its <u>position</u> during the June I 2022 plenary session with 339 votes in favour, 249 against and 24 abstentions. It supports the emissions reductions targets proposed by the Commission but would abolish the ZLEV incentive mechanism from 2025, and gradually reduce the maximal contribution of eco-innovations towards the manufacturers' targets. In contrast, the Council's <u>general approach</u> follows the Commission proposal, the only amendment having been introduced to the content of the Commissions' biennial reports on progress towards zero-emissions road mobility.

The Parliament and the Council reached a provisional political agreement on 27 October 2022. The <u>agreed text</u> largely follows the Commission proposal and takes up elements from the Parliament's position, with amendments introducing a more ambitious ZLEV incentive mechanism for the 2025-2029 period, setting limits to the maximal contribution of eco-innovations, and focusing on the better use of real-world fuel and energy consumption data, on a methodology for lifecycle assessment of vehicles' CO₂ emissions and on an assessment of gaps in funding to ensure a just transition in the automotive supply chain.

First-reading report: <u>2021/0197(COD)</u>; Committee responsible: ENVI; Rapporteur: Jan Huitema (Renew, the Netherlands). For further information, see our 'EU Legislation in progress' <u>briefing</u>.



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