

Car and van CO₂ standards

MEPs must maintain 100% CO₂ reduction target in 2035 and boost electric car and van supply in the 2020s

One year after the European Commission's landmark climate package, 'Fit for 55', it is now in the hands of the European Parliament (EP). We look at what is at stake for the European Green Deal and Europe's climate ambitions, as the lead committees of the EP vote to adopt key Fit for 55 proposals. This short briefing will look at what is at stake in the revision of the car and van CO₂ standards, with the vote in the lead Environment Committee scheduled for 11 May.

Context

Following the entry into force of the 2020/21 EU car CO₂ standards (the main tool to decarbonise cars in Europe) electric cars (EVs) have entered the mass market much faster than previously expected, reaching [18% of new sales](#) last year. Getting to 100% zero emissions mobility is now within reach and – to ensure Europe can meet its own Green Deal goals – must be the ultimate objective of the new car and van CO₂ regulation.

[Analysis](#) also shows that if we continue to ramp up electric car and van production, via higher targets during the 2020s, EVs are predicted to be cheaper to buy than equivalent petrol models by 2026, with high battery metal costs delaying this by a few years but not changing the trend.

Under the European Commission's (EC) [proposal](#), carmakers will have to reduce by 55% the climate damaging CO₂ emissions from their new cars from 2030 (50% for

vans), before going 100% emissions-free from 2035 onwards.

Regrettably, the Commission only proposed increasing the targets from 2030 onwards, leaving the current weak 2025 CO₂ reduction target of just 15% untouched. This means that limited effort will be required by carmakers before 2030 and risks slamming the brakes on the recent EV momentum. Higher retail prices for EVs, slower uptake of charging infrastructure, and supply from outside Europe will dominate if domestic supply – which closely mirrors the car CO₂ standards – is insufficient.

In the European Parliament, MEPs have been divided over the changes they would like to see to the proposal. Some MEPs tabled amendments that would accelerate the pace of CO₂ reductions with higher targets proposed for 2025, 2027 and 2030, with some even proposing to bring forward the 100% target to 2030. However another bloc of MEPs have proposed lower targets – even compared to the Commission's numbers – including deleting or decreasing

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the 100% target in 2035. Some MEPs also proposed changing the scope of the regulation to allow carmakers to comply with their targets by purchasing credits for synthetic- and bio-fuels.

What is at stake as the EU Parliament Environment (ENVI) Committee votes on their amendments?

What's good? What's bad?

T&E supports the amendments tabled by the MEPs leading the negotiations for the Renew Europe (liberal) and S&D (centre-left) groups in the lead Environment Committee (ENVI). The amendments proposed by rapporteur Jan Huitema (Renew) and Sara Cerdas (S&D) would increase the CO₂ reduction targets for 2025 (to 25% for cars and 20% for vans) and 2030 (75% for cars and 70% for vans), as well as an additional interim target in 2027 (45% for cars and 40% for vans).

These enhanced targets, if agreed, will ensure continued scale up of zero emission cars and vans in the 2020s, bringing forward the climate and air pollution benefits gained from replacing polluting vehicles sooner, and ensuring Europe is on a cost-effective path to reach 100% zero emissions in 2035. More ambitious targets in the 2020s will also help drive down the cost of making an EV so that it is cheaper to buy than a petrol car or van by the mid-2020s.

T&E also supports amendments that would stop the handing out of credits to car makers for selling zero- and low-emission vehicles (under the so-called ZLEV benchmark) already from 2025. Carmakers already need to sell EVs to meet their targets anyway and if the benchmark system is maintained, car makers can use these credits to water down the already weak 15% CO₂ target by a further 5%.

However, T&E calls on policymakers to reject amendments that would provide a loophole for synthetic and bio fuels. The proposed crediting system would allow carmakers to comply with their CO₂ targets by buying credits from the oil and gas industry for synthetic 'e-fuels', which are chemically similar to fossil petrol and diesel, and would delay the transition to electric vehicles. With no way to guarantee that these cars will be filled with much more expensive and inefficient e-fuel, rather than fossil fuel, over their lifetime, these amendments would introduce a significant loophole into the regulation.

How should the proposals be improved?

The European Commission proposals are good on the long-term ambition, but weak on CO₂ reduction until 2030. Given Europe's imperative to reduce reliance on oil, EU policymakers should increase the ambition of the CO₂ reduction targets in 2025 and 2030, and introduce an interim target in 2027 – this will help save over half a billion barrels of oil by 2030 and ensure

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[Europe is able to meet](#) its increased economy-wide 2030 climate target.

Next steps to deliver on Europe's climate goals

The ambition of Europe's Green Deal will be determined over the coming weeks as the Fit for 55 package process goes from European Parliament Committees for a Plenary vote in Parliament, and then to Trilogue negotiations with the Council. At any stage, Europe's ambition to decarbonise transport could be strengthened or weakened. It is critical that policymakers maintain high levels of ambition and not allow Fit for 55 to be watered down.

The next steps for the car and van CO₂ standards will be a vote in the European Parliament Plenary during the week of 6 June, with trilogues expected to start soon after national governments agree on their position at the Environment Council on 28 June.

T&E Comment

"Cars and vans together are responsible for 15% of all Europe's climate warming emissions. They are also the single largest source of toxic nitrogen dioxide pollution, which cuts short the lives of over 40,000 Europeans every year. With the review of the EU car and van CO₂ emissions standards, policy makers have the power to decide when and how fast the journey to emissions-free road transport will happen in Europe."

"Electric cars also consume zero oil, and so are a key structural measure to wean Europe off its oil habit. Along with fewer private car journeys and a more efficient and shared mobility system, electrification is one of the key solutions to achieving zero emission road transport."

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Further information

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