

Context

In July 2012 the Commission published its proposal to review Regulation 510/2011 which sets CO₂ emission targets for new light commercial vehicles (vans). The Environment Committee leads the deliberations in the European Parliament and Holger Krahrmer (ALDE) has been appointed rapporteur. This briefing appraises proposals within his [report](#) and quantifies how these could lead to a weakening of the target in excess of 10g, raising the target to more than 157g/km.

Key issues

The key points of the Krahrmer report are the following:

- Retention of the 147g target for 2020
- Discussion about post-2020 regime delayed until 2018
- Introduction of a very generous super credit scheme
- Postponement of the introduction of a new test procedure

1. Retention of the 147g target for 2020

The 147g/km target was based on incomplete information that exaggerated both costs and average emissions of vans. This gave the false impression that it is very difficult to reduce van emissions. Based on updated information, the [Commission's 2012 impact assessment](#) now estimates the cost for achieving 147g is €500, rather than the previously estimated €2000-€3000.¹

Despite this new information, the Krahrmer report calls 147 g/km “over-ambitious” (Amendment No 1) and rejects calls ([letter](#) of 22/01/2013) by small businesses, retailers and leasing companies to set a more ambitious target of 118 g/km.

By confirming a target which is close to business as usual and declining to consider a long term target, Mr Krahrmer proposals will lock the van market into slow fuel efficiency progress for the next decade or more.

The targets for cars and vans should be equally strong. 95g for cars is equivalent (on a marginal cost basis) to 118g for vans in 2020 and can be achieved with conventional technology (no need for hybrids or electric vans). Moreover, annual fuel savings of more than €800 per van would save Europe's small businesses billions of Euros.

2. Postpone discussion of post 2020 targets to 2018

Long term targets provide the automotive industry with planning and investment certainty and ensure that the EU stays on course to meet its long term climate objectives. The 2020 target currently being considered was originally proposed in 2009, 11 years in advance. The US recently adopted very ambitious standards for 2025.

The Krahrmer report suggests the postponement of discussions about post-2020 until 2018 after the new test cycle should be introduced (Amendment No 9). Van makers often claim they need a lot of lead time to improve vans and this will not be possible if decisions on post-2020 targets are delayed.

The automotive industry demands regulatory certainty. Setting a 2025 target of below 100g now will encourage van-makers to invest in low carbon technologies fit for the future, creating jobs and export opportunities.

3. Introduction of an excessive super credit scheme:

The Commission did not propose super-credits in its review as these would further weaken the 2020 target.² The Kraemer report however recommends reintroducing super credits with:

1. **Generous multipliers** of 2 from 2017 until 2024 – for every one electric van sold the manufacturer will then be able to sell two vans with emissions of nearly 300g/km and still achieve its targets;
2. **A raised eligibility threshold of 75g** – potentially allowing supercredits to be earned for supplying efficient hybrid vans³ in addition to advanced technologies;
3. **Allowance to bank** credits earned before 2020 and use them until 2025 – weakening the “paper” 147g target or allowing it to be delayed⁴;

The combination of these elements has the potential to weaken the 2020 target by around 10g or even more. Indeed, the more effective the system is at promoting the sales of sub-75g vans, the more damage is done to the already very weak 2020 target.

Super-credits for vans should be rejected. Instead, super credits should be scrapped and [a flexible mandate](#)⁵ for ultralow carbon vehicles introduced. A flexible mandate rewards manufacturers that sell more than 2% ultralow carbon vans, but requires an extra effort from manufacturers that do not. A flexible mandate encourages and rewards bigger market penetration of very efficient vehicles in a balanced, transparent and effective manner.

4. Delaying the introduction of a new test procedure

The gap between real-world fuel economy and that measured in official tests is growing annually because van-makers are manipulating test results.⁶ For example, the aerodynamic and rolling resistance values used, are obtained by optimising the vehicles during the test in a way that would be impossible or dangerous in real driving conditions.

Such manipulation accounts for a significant part of the CO₂ emissions improvement measured in new vans between 2002 and 2010.⁷ Further flexibilities will continue to undermine the regulation and cheat businesses of fuel savings the official test results promise.

The Kraemer report opposes the early introduction of a new test cycle and procedures designed to ensure test results match real-world performance (Amendments No 2, 4, 5, 10). Instead it is proposed that the new and improved test cycle (WLTP) should be applied from 2014-2018 but for monitoring purposes only. The 2020 target would still be based on the current, flawed test cycle (NEDC). Kraemer proposes that no improvements may be made to the current test cycle until 2021.

A new and improved test cycle should be introduced by 2016 at the latest. Targets set by this Regulation should be translated to the new test cycle to ensure comparable stringency without rewarding current flexibilities. New procedures should be established to ensure that if future test results deviate from real-world performance, the test is updated.

Further information

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<http://www.transportenvironment.org/what-we-do/vans>

¹ <http://www.transportenvironment.org/sites/te/files/publications/Vans%20Position%20Paper.pdf>

² <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=->

[%2f%2fEP%2f%2fNONSGML%2bCOMPARL%2bPE-500.598%2b02%2bDOC%2bPDF%2bV0%2f%2fEN](#)

³ Small, class I vans (e.g. Citroen Berlingo) make up ca. 18% of total van sales. Class I vans are usually car-derived vans.

⁴ Depends whether credits are used in one year or over several years.

⁵ Transport&Environment, Ultralow carbon vehicles and supercredits, 2012.

⁶

http://www.theicct.org/sites/default/files/publications/ICCT_EU_fuelconsumption2_workingpaper_2012.pdf

⁷ 30% for cars; less for vans but Regulation is more recent.

http://ec.europa.eu/clima/policies/transport/vehicles/cars/docs/report_2012_en.pdf