

Van CO₂ standards



All new vans to be zero emission from 2035, but targets need strengthening in the meantime

Context

Spurred on by the surge in home deliveries, vans are the EU's fastest growing source of road transport emissions. Unlike cars, **the EU's van CO₂ standards are failing to put electric vans on the market** in any real numbers, as shown in [T&E's recent van CO₂ report](#). Van CO₂ standards up to 2030 are currently so weak that vanmakers can meet them while selling a tiny number of zero-emissions vehicles.

Only 2.3% of van sales were electric in 2020, compared to 10.5% for cars. This is despite smaller e-vans already being cheaper to own and run, and the fact that all vans – big and small – will be [cheaper to buy by 2026](#).

What has the European Commission proposed?

With its new proposal for a 50% CO₂ reduction target in 2030 and 100% in 2035, the Commission is raising the climate ambition for vans. However, the e-van shortfall is likely to remain for a decade or more, leaving far too much work to be done in the years immediately preceding 2035 to

deliver 100% zero-emission vans by that date.

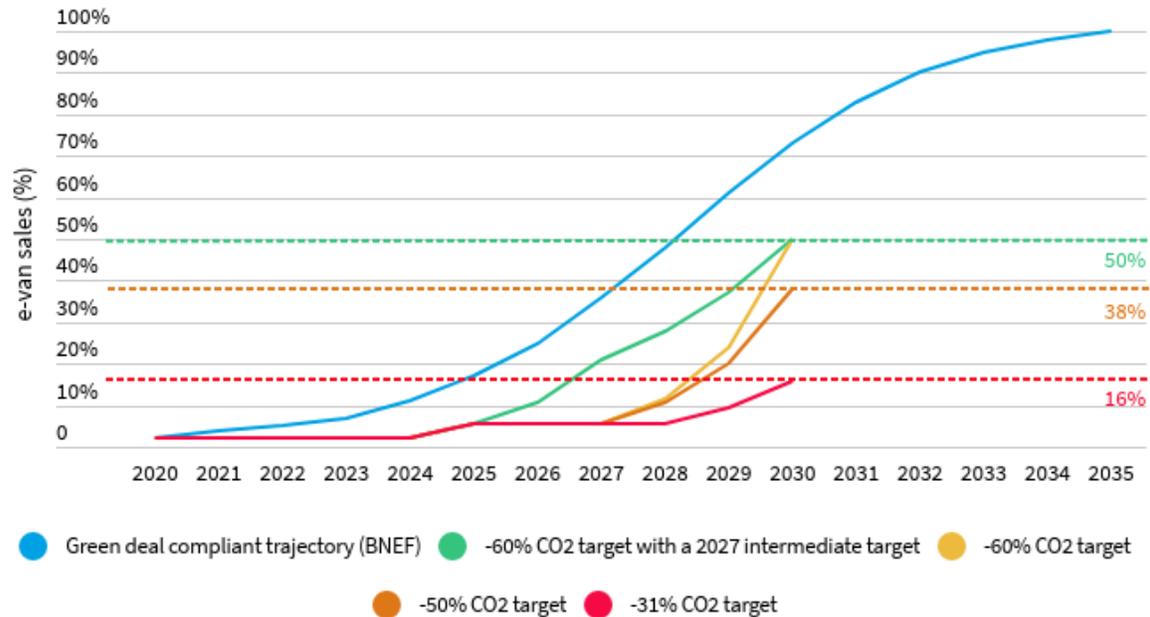
What's good? What's not?

While moving in the right direction with a 100% CO₂ reduction in 2035, the new 50% target for 2030 does not go far enough to **boost e-van supply during the 2020s with no target kicking in before 2030**.

Vehicle-makers are likely therefore to delay the implementation of reform until the very moment regulation requires it. In the absence of any target before 2030, e-van sales are likely to stay as low as 5-7% up until 2027/2028. Adding an interim target in 2027 would give a much-needed boost to e-van supply in the 2020s.

The current proposal will likely deliver an excessively late, rather sharp, ramp-up in e-van supply, going from 5-7% in 2027/8 to **38% e-van sales by 2030** (see Figure 1). The absolute CO₂ emission savings compared to 2020 will be modest (15%). And this 38% level falls far short of what the market can deliver, with [Bloomberg NEF](#) projecting that e-van sales have the potential to be **between 46% and 73% in 2030**.

Electric vans: new proposal leaves the EU well short of Green Deal target



Notes: The current van CO₂ target is -31% in 2030 compared to 2020 emissions, while -50% CO₂ is the new target proposed by the Commission as part of the Fit for 55 package. Finally, -60% is proposed by T&E to stay in line with the EU's 2050 decarbonization commitment.

The e-van sales output has been estimated from the different CO₂ targets and with the following assumptions: ICE improvement (-2%/year), mass-adjustment factor (6 gCO₂/km in 2025, 3 gCO₂/km in 2030), eco-innovation factor (1.5 gCO₂/km in 2025, 2 gCO₂/km in 2030) and WLTP-NEDC uplift (5%).

Source: T&E modelling of current policies, and Bloomberg NEF forecasts from *Hitting the EV inflection point*, 2021

Figure 1: T&E modelling of different van CO₂ targets

How should it be improved?

The destination is clear – all new vans must be zero emission by 2035, but stronger targets are needed along the way to make sure the EU gets there on time.

To keep the EU on track for 100% zero emission van sales in 2035, T&E modelling shows that at a minimum a 60% CO₂ reduction target is needed for 2030,

supported by a 2027 target of 31% (i.e. bring the pre-existing 31% van target forward three years from 2030).

A 60% target for 2030 will ensure that 50% of vans sold in 2030 are zero-emission, enabling a step-wise ramp-up to 100% by 2035. Vital to turning the EU's van decarbonisation plan into reality is ensuring a steady build-up in e-van sales from today's ultra low base (2.3%).

Because of the high amount of untapped efficiency improvements due to the weak 2020 starting point, and the need to support electric van investments without further delay, **a zero-emission van target should be proposed alongside the CO₂ reduction target**. Indeed, a CO₂ target alone simply will not deliver e-van roll-out at a rate that comes close to the cost-effective potential.

Don't forget...

Currently, van regulation allows larger and heavier vans to emit more CO₂, which in turns encourages the sale of larger vans (under a rule known as 'mass adjustment'). Heavier vans, weighing more than 1.76 tonnes, now make up 66% of new sales, up from 55% in 2014 - with sales of heavy vans acting to weaken the CO₂ target. Although some changes are proposed to the 'mass

adjustment' rule, the perverse incentive to sell heavier vans remains. Unless this issue is resolved, the CO₂ targets proposed today will be significantly weakened. This is also a point that will need to be addressed by Parliament and member states.

T&E has proposed dividing van sales in two categories and removing mass-adjustment. This would incentivise van-makers to make lighter vans (for both new weight categories), and reverse the increasing mass trends and the related weakening of the targets.

Finally, in the early 2020s, the weight of the battery will likely incur a weight penalty, particularly for the larger electric vans. To ensure that battery weight does not become a barrier to electric van supply, T&E supports a **limited extra weight allowance for zero emission vans sold up to 2030**.

Further information

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