

NEW CO₂ EMISSION TARGETS FOR CARS

BEUC's reaction and first policy recommendations to the European Parliament & Member States ahead of the co-decision process



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Why it matters to consumers

Enabling consumers to have access to clean, low carbon, fuel efficient cars will allow motorists to save money and better protect both the environment and their health. Many vehicle technologies can be brought to market which will spur the uptake of low carbon cars. But these technologies need a push, which starts with strict CO2 targets. The EU is currently setting these, but the European Commission has fallen short of consumer expectations.

Summary

On 8 November, the European Commission published its clean mobility package. The central piece of this package was the proposal on the reduction of CO2 emissions from passenger cars between 2020 and 2030. This regulatory proposal was much awaited as it will be a decisive tool for the EU to reach its objectives in terms of reductions of greenhouse gases (GHGs) and air pollutants. Ambitious CO2 targets will also have a direct impact on European consumers who would benefit from improvements in the cost of owning and using a vehicle.

Disappointingly, the Commission's legal proposal lacks the necessary ambition which BEUC considers necessary to deliver real benefits to European consumers. We therefore call upon the European Parliament and the Member States to strengthen this legislative proposal.

Here are BEUC's first policy recommendations in view of the co-decision process.

1. Increase the CO2 reduction targets for 2025 and 2030

The level of the CO2 reduction targets for cars and vans will largely determine whether the EU achieves its ambition to tackle climate change and reduce air pollution. CO2 targets are also the most efficient tool to make sure consumers benefit from increased fuel savings. Setting ambitious targets should therefore be the number one priority of the next CO2 regulation for cars and vans.

In its legislative proposal, the Commission decided to move away from a target expressed in grams and to set a percentage reduction objective of 30% by 2030 with an intermediate objective of 15% in 2025 compared to 2021 levels. BEUC had advocated for setting targets of at least 45% in 2030 and 30% in 2025. The European Parliament¹ and nine EU Member² States had also asked for much more ambitious reduction objectives. The legal proposal made by the Commission is therefore disappointing and will fail to deliver the expected benefits for consumers: neither will it deliver the necessary fuel consumption improvements, nor will it push for a strong uptake of zero and low-emission cars.

BEUC proposal:

- **Increase the level of ambition to 45% in 2030 and 25% in 2025.**

2. Make sure fuel consumption and emissions reductions are delivered in the real world

This already limited level of ambition will be meaningless if we do not act decisively on making sure that fuel consumption and emissions reduction are delivered in the real world and not only on paper. The gap between official (that is, laboratory) and real-world CO2 emissions reached new heights last year. For European consumers, this difference translates into unexpected fuel expenses of on average 400 euros per year³. Even if the entry into force of the new laboratory test WLTP (Worldwide Harmonised Light Vehicle Test Procedure) should contribute to reducing this gap, a significant difference between test and real-world levels will remain when cars are actually on the road. The gap could even increase again during the 2020s⁴.

The Commission failed to address this issue properly in its legislative proposal. The introduction of strengthened market surveillance measures through in-service conformity checks of vehicles already placed on the market is a step in the right direction. It should prevent manufacturers from using the loopholes of the new WLTP test.

¹ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2013-0151+0+DOC+PDF+V0//EN>

² <https://www.euractiv.com/section/climate-environment/news/new-eu-car-co2-limits-in-danger-amid-german-automaker-lobbying/>

³ http://www.theicct.org/sites/default/files/publications/Lab-to-road-2017_ICCT-white%20paper_06112017_vF.pdf

⁴ Due to the expectation that new flexibilities and loopholes will be exploited and discovered over time (ICCT/Element Energy, 2015) coupled with possible technological automotive advances that will further make the laboratory based test open to such manipulation.

But these checks will certainly not drastically reduce the gap between labs and real-world. Further in its proposal, the Commission writes that it will take actions "to monitor and assess the real world representativeness of the WLTP test procedure" by requiring manufacturers to install fuel meters in new cars. The Commission should go further than that and start working as soon as possible on extending the real-driving emission tests to CO2 and fuel consumption.

BEUC proposal:

- **With regards to in-service conformity checks, we ask the Commission to be very strict in case of deviations between type-approval and in-service conformity checks values. Manufacturers' compliance with their individual CO2 targets must be adapted accordingly.**
- **A real world driving test for CO2 emissions must be developed and made mandatory during the type approval procedure. It could be coupled with a robust 'not-to-exceed' limit, as is the case for air pollutant emissions such as NOx.**

3. Targets for low and zero-emission vehicles: don't just reward manufacturers who meet the objective, but also penalise those who don't

In addition to the CO2 reduction targets, the Commission also introduced objectives for the deployment of low and zero-emission vehicles, of 15% in 2025 and 30% in 2030. Unfortunately, also in this case, the Commission clearly missed an opportunity: the envisaged system is "toothless" as it only provides incentives to manufacturers exceeding the targets. It does not foresee any penalty for those not reaching the objective.

BEUC had advocated for a binding scheme where manufacturers could be either rewarded or penalized depending on their performance and commitment to offer low-carbon cars to consumers. Research shows that European consumers willing to switch to low and zero-emission cars clearly lack choice and that current sales practices often undermine the real-world availability of these models⁵. By not being ambitious enough, Europe risks missing the boat of taking the leadership in low and zero-emission mobility and falling behind China or the US where such mandates have been introduced.

BEUC proposal:

- **Only a proper "bonus-malus" scheme for low and zero-emission vehicles will make sure that consumers will have sufficient choice between different models of low and zero-emission vehicles. The current credits scheme proposed by the European Commission needs to be completed by debits (meaning that a manufacturer not reaching the ZEV target would have to comply with a stricter specific CO2 objective).**

⁵ http://www.beuc.eu/publications/beuc-x-2017-119_sma_availability_and_affordability_of_zevs_interim_report.pdf



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