

The Consumer Voice in Europe

MAKING CLEAN CARS WORK FOR ALL CONSUMERS

BEUC position on a European approach to reducing car emissions
between 2020 and 2030



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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. Between now and 2030 there are numerous vehicle technologies that can be brought to market that can bring about such changes and provide substantial financial savings for consumers. However, such technologies will not be brought to market by themselves in Europe and this is why an integrated EU approach is needed to support their uptake. This means setting ambitious post 2020 CO₂ targets with tough vehicle testing requirements in place; ensuring consumers are properly informed about the cars they are buying and incentivised for sustainable consumption; and it also means having adequate infrastructure for alternatively powered cars in place and making sure that real emissions reductions are achieved.

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KEY RECOMMENDATIONS – BEUC’s 5 Point Plan

- 1 The EU must adopt fuel saving, CO₂ reducing targets for new cars of 75g CO₂/km or lower for 2025 and 50g CO₂/km or lower for 2030**
 - Targets must be rigorously assessed using laboratory (WLTP) and real world on-road tests
 - Targets must be cost efficient and use size rather than mass to determine levels;
 - Production incentives should focus on those cars that can achieve the biggest air pollutant reductions
- 2 The EU must collectively ensure the deployment of charging points for alternatively powered cars between 2020 and 2030**
 - Member States and the Commission must ensure a coherent and adequate distribution of charging infrastructure and convenient payment systems for users across the EU between now and 2030
- 3 EU car labelling rules must be reformed to better inform consumers**
 - Consumers need to be given more reliable, comparable, relevant and easy-to-understand information about the emissions, fuel consumption and cost performance of cars
- 4 Purchase and in-use incentives should reward sustainable consumption**
 - Where necessary, consumer incentives at the national level should support both the uptake and use of vehicles that lower the environmental and health impacts of driving
- 5 Only genuinely sustainable biofuels should be supported**
 - Biofuels should only be supported if they achieve a significant CO₂ saving; avoid negative impacts on biodiversity; do not directly compete with food production and do not negatively impact on vehicle performance or durability

Background

Today, passenger cars in Europe make up approximately 12% of all greenhouse gas (GHG) emissions in the EU and are a substantial source of air pollutants that can cause harm and lead to premature loss of life¹. In order to tackle climate change and reduce air pollution, **it is essential that significant reductions of GHGs and air pollutants are made in the coming years.**

The EU has set itself a target of reducing transport CO₂ emissions by 60% below 1990 levels, or a 3% cut per year on average, sustained over 35 years (As required in the EU's 2050 Roadmap and 2011 Transport Paper). To do so will require substantial technological improvements in passenger cars over the coming years, meaning changes in the cost of owning and using a vehicle.

Up until 2021, the EU has put in place specific CO₂ reduction targets for passenger cars, which on paper have achieved impressive results to date. However, evidence of real world performance shows in fact a growing gap between laboratory based figures and what is being achieved on the road. Today, the gap stands at approximately 42% on average ([ICCT](#), 2016). Because of the close relationship between CO₂ emissions and fuel consumption, this in turn means that **consumers are paying 100s of Euros more on fuel costs each year than otherwise expected** (See box beside). On top of this, the information that consumers are receiving about the environmental impact of their cars is unreliable, and because of weak labelling requirements, most EU consumers are not properly informed about potential benefits of shifting to low emissions vehicles.

The Great Fuel Consumption Scam

BEUC members have discovered that motorists are spending far more on fuel costs than otherwise expected: The UK consumer organisation **Which?** tested 200 cars in 2015 and found that drivers are spending £133 (€185) more a year on fuel than otherwise expected; The Austrian group **AK Wien** found that for the top 30 selling cars in the country, owners were paying almost €300 more; Slovenian consumer organisation **ZPS** found that drivers in the country are collectively spending an additional 100 million euros per year; and due to the problem, the Italian consumer group **Altroconsumo** is requesting compensation of between €239 and €502 in court for the owners of a Fiat Panda and a VW Golf. Finally, the research group **ICCT** also says that on average across the EU, the divergence translates into increased fuel costs of €450 per year.

Between 2020 and 2030, **the EU needs to ensure that real world and ambitious emissions reductions are being achieved in the passenger car sector.** This paper outlines BEUC's position and the expected legislative proposals to be put forward in this area by the European Commission by the end of 2017. The paper focuses on EU opportunities to support the decarbonisation of passenger cars and takes account of the Commission's [Communication](#) on low emissions mobility that was published in the summer of 2016. Before laying out our vision of what is needed at the European level to reduce passenger car emissions, it is important to recognise the consumer impacts of low emissions vehicles between 2020 and 2030.

¹ According to the European Environment Agency, passenger car emissions also make up just under half of all EU transport emissions ([EEA](#), 2016).

Clean cars can be low cost cars

[Research commissioned by BEUC](#) in 2016 has shown that rolling out fuel efficient and low carbon technologies between 2020 and 2030 will financially benefit European consumers. This will be the case for a motorist, whether they are driving a conventional combustion powered car or an alternatively powered vehicle such as one running on electricity (See figure 1 below).

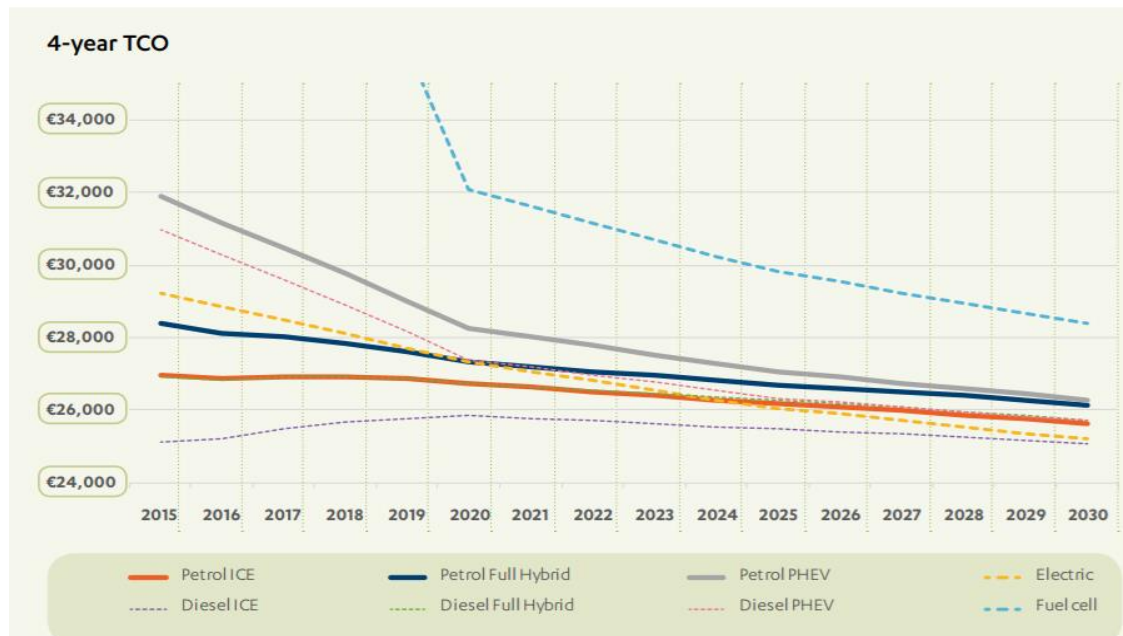


Figure 1 - Expected change in the average 4-year TCO of all vehicle types between 2015 and 2030

The research has shown that ultra-low emissions vehicles (ULEVs), such as fully electric cars, should drop in price substantially and be highly competitive if not cheaper to run than conventional vehicles in the 2020s. Specifically, by the mid-2020s the average 4-year cost of running a brand new electric car should match, if not be cheaper, than a petrol car² (On a total cost of ownership basis). This development will largely be driven by the reduced cost of batteries but also other cost reductions that will transpire as result of lower fuel costs and lower maintenance costs associated with running an electric vehicle³.

More fuel efficient traditional cars will save motorists money

There is also a strong potential to improve the fuel economy of traditional cars running on petrol and diesel at a low cost. Compared to a 2015 vehicle for instance, **consumers driving a new fuel efficient car in 2025 should save on average €500 in fuel costs in the 1st year and over the whole lifetime between €4,400 and €9,400** (See figure 2). The study also showed that lower income motorists will benefit the most from the reduced running costs of conventional and alternatively powered cars in second hand markets. This is because second and third hand owners, who are in most cases in lower income groups than first hand buyers, will benefit from the steep depreciation in the value

² Research by [Bloomberg](#) suggests that electric vehicles will be cheaper to run than combustion powered cars earlier, by 2022, whilst [research by UBS](#) suggests cost parity could be achieved by 2021.

³ For a more detailed assessment on the cost/benefits of running an electric car against a traditional vehicle over its entire lifetime and specifically issues surrounding maintenance costs, replacement of parts, warranties and second life battery energy storage opportunities, see [BEUC](#), 2016.

of vehicles and in essence will only pay a small fraction of the capital costs associated with the uptake of the new fuel efficient technologies.

Baseline 2025 vehicle relative to:	Powertrain	Additional Purchase Price	First Year Fuel Cost Saving	Payback Period, years	Lifetime (16yr) Fuel Cost Savings
Technology deployment kept at 2015 level	Petrol ICE	€710	€450 - €712	1.1 - 1.7	€5,914 - €9,362
	Diesel ICE	€310	€332 - €504	0.7 - 1.0	€4,409 - €6,700
	Average	€510	€499	1.1	€6,596

Figure 2 - Summary of the average costs and benefits of additional efficiency technology applied to all vehicle segments for vehicles in 2025 compared to vehicles from 2015 (*Element Energy, 2016*)

Reducing demand for oil can offer wider consumer benefits

Furthermore, the study highlighted recent research that shows how the deployment of fuel efficient and ultra-low carbon vehicles can also have a knock on effect of lowering the cost of petrol and diesel. In essence, if cars are using less petrol and diesel - and this is being achieved on a big enough scale - then demand for oil will drop and so too should prices at the pump, all things being equal (i.e. this is dependent on fuel taxes not rising). As the price of oil impacts on the cost of all sorts of products - from food to toys - **consumers therefor stand to prosper in multiple ways as a result of policies and technologies that lower the CO₂ emissions of cars**. And of course this is not to mention the energy security benefits that can also result by way of reducing imports of oil to Europe.

Consumers and wider society will gain health benefits

Furthermore, a shift to alternatively powered vehicles including electric cars will provide health benefits to consumers and wider society. Fully electric cars for instance will emit zero tail pipe emissions, meaning that dangerous pollutants such as NO_x emissions and particulate matter will be substantially reduced⁴. Such pollutants have been linked to numerous debilitating lung diseases and more than 400,000 premature deaths in Europe (EEA, 2015). The health costs in Europe have been put at around 1,5 trillion Euros, which is the equivalent to nearly one tenth of the gross domestic product (GDP) of the entire European Union (WHO, 2015). Finally, research also shows that road vehicle pollution must also be considered as a direct consumer health problem. This is because **it is the car or bus user that is being put at potentially the most risk because of air pollution being trapped inside vehicles** (Karanasiou et al, 2014, King's College, 2014).

It is also important to recognise here that in order for Europe to achieve its climate targets, the further deployment of electric cars will need to be coupled with a decarbonisation of the European electricity mix. In this, some impressive progress has been achieved⁵ but additional renewable electricity generation is required to cut the life cycle GHG emissions of EVs further.

⁴ In addition, the European Environment Agency has reported that road traffic is the most dominant source of noise pollution in the EU, with over 100 million people affected by current levels and can lead to premature death and cognitive problems (EEA, 2017). Electrically powered cars have the potential to cut noise pollution drastically.

⁵ Renewable energies have doubled their contribution in gross EU electricity consumption, from a 14% share in 2004 to 29 % in 2015 (Eurostat).

BEUC'S 5 POINT PLAN TO REDUCING CAR EMISSIONS BETWEEN 2020 AND 2030

1. Setting CO₂ targets: Making sure the market delivers clean cars

Having the most fuel and energy efficient cars available on the market will not happen by itself. Decision makers need to provide industry incentives and give certainty by way of setting clear rules and regulations. First and foremost, this means setting ambitious fleet wide CO₂/fuel consumption targets in the period between 2020 and 2030.

Setting ambitious post 2020 fuel saving and CO₂ reducing targets for new cars

BEUC proposes setting **a target for 2025 of 75g CO₂/km or lower and for 2030 at 50g CO₂/km or lower on a WLTP basis**. As highlighted in the previous section, such targets will clearly provide benefits to consumers and are also clearly feasible for car makers. For instance, in order to achieve a 75g target for 2025 (See Figure 3 below), it would likely require a mix of around 15% of new vehicle sales being fully battery or plug-in hybrid electric cars by 2025, and 40% by 2030 (the uptake of ULEVs could be lower depending on technologies applied to traditional vehicles). When considering that some car makers have indicated that sales of all-electric cars will be as high as 25% by 2025⁶, the targets that BEUC is proposing are clearly feasible. It is worth noting that although all ULEV sales are low today relative to sales of traditional vehicle types, there has been impressive growth in recent years ([T&E](#), 2016) and other research ([Mckinsey](#), 2016) indicates that as much as 65% of all vehicle sales could be electrified cars by 2030. Considering these current day developments and future forecasts, the targets that BEUC is proposing should be considered as the bare minimum requirement for car makers to achieve.

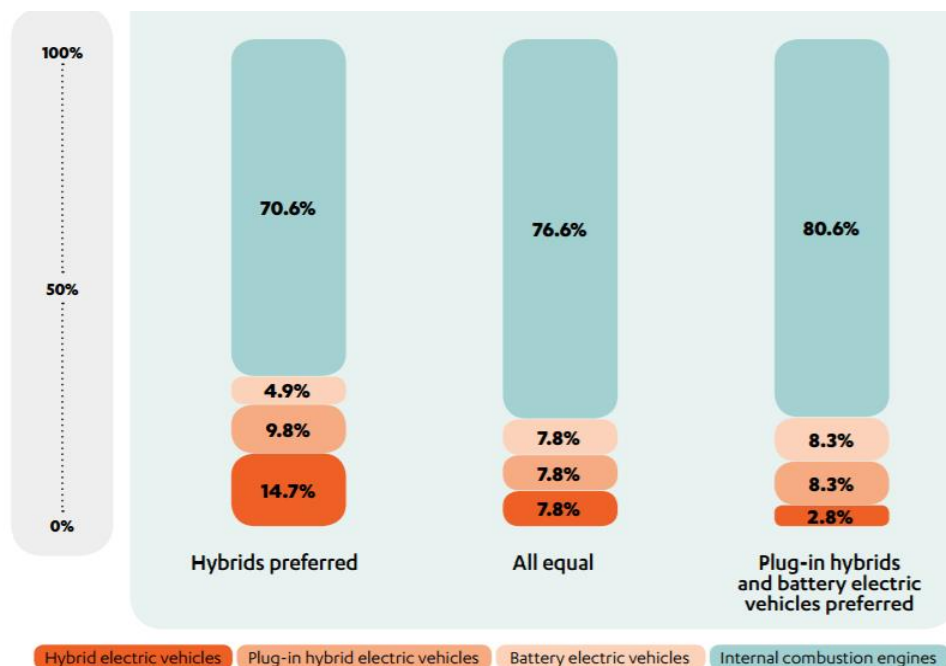


Figure 3 - Possible market shares of ultra-low emissions vehicles compared to combustion powered cars to meet a 75g WLTP fleet average CO₂ emissions level for 2025 ([Element Energy](#), 2016)

⁶ Both [Volkswagen](#) (incl. the brands VW, Skoda, Audi, SEAT and Porsche) and [Daimler](#) (owner of Mercedes) have said they are planning on achieving as much as 25% of their sales as all electric cars by 2025.

It is also important to recognise the carbon reduction requirements that are required to meet medium and long term EU targets. The 75g and 50g levels for passenger cars proposed here would in essence be in line with levels required on a climate protection basis and in accordance with the EU's 2030 Climate and Energy Package which aims to reduce emissions in the non-Emissions Trading Scheme (ETS) sectors by 30% from 2005 levels ([Element Energy](#), 2016). Such a reduction in CO₂ emissions would also be in line with the EU's 2050 target of reducing transport emissions by 60% below 1990 levels (As stated in the EU's 2050 Roadmap and Transport White Paper).

Avoiding a fractured market after 2020 by setting a 2025 target

It is essential that targets for new passenger cars are not only set for 2030, but also for 2025. Firstly, it is important to recognise that the current deployment of ULEVs and charging infrastructure has been strongly influenced by the existing EU passenger car CO₂ targets ([EU](#), 2016). This being the case, it will be **essential to ensure that the deployment of new technologies is continued seamlessly and avoids a fractured market post 2021**. By relying for instance on a 2030 target alone, it would potentially mean for a break in the necessary research and development and in turn mean for a delay in deploying further ULEVs and advanced charging infrastructure. This would not be a desired consumer outcome. Secondly, setting a target for sales of new passenger cars will evidently mean the entire EU fleet will only be affected gradually as it takes many years for the fleet to renew itself. Setting a target before 2030 is therefore vital for the purpose of cutting emissions across the fleet in advance of 2030. By doing so, the automotive sector can also contribute to the EU's sector wide 2030 CO₂ reduction targets.

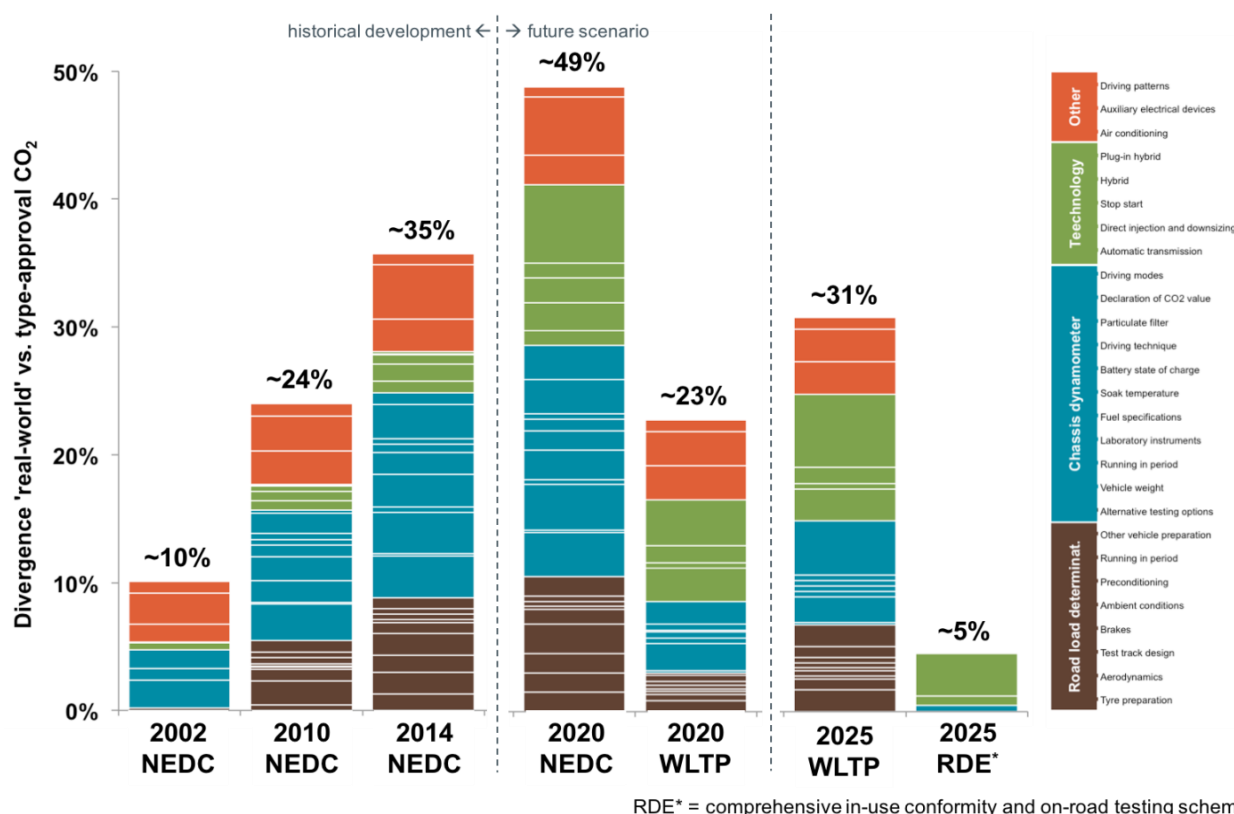
BEUC Proposal

- **Set a 2025 average target of 75gCO₂/km or lower for new car sales**
- **Set a 2030 average target of 50gCO₂/km or lower for new car sales**

*Target levels should be considered as minimum requirements and to be measured on WLTP test with a not to exceed limit

Delivering fuel consumption and emissions reductions in the real world

The proposed CO₂ reduction targets should be based on the new CO₂ and fuel consumption test protocol known as the WLTP. This test should ensure more realistic assessments are made of a car's performance and mean the gap between laboratory and real world results will fall. However, the potential is that the gap will increase again over the course of time (See Figure 4 below) due to new flexibilities being exploited by car makers.



4 - Estimation of the gap between type-approval and real-world CO₂ emissions/fuel consumption (ICCT/Element Energy, 2015)

As the gap between type approval and real world CO₂ emissions/fuel consumption will potentially increase in the 2020s⁷ it is clear that additional measures are required to prevent this from happening (ICCT/Element Energy, 2015; SAM, 2016; ICCT, 2015; BEUC, 2015). One key measure⁸ that regards the specific vehicle test requirements would be to include a real world test (or otherwise known as 'on-road testing' or 'Real Drive Emissions (RDE)') of CO₂ and fuel consumption for conformity testing purposes (See Figure 4). Such a test has been agreed in the EU for testing of air pollutants. Although there is still the need to develop an exact methodology for this purpose, it is clear that it could have a very important role in **ensuring that laboratory based results are more representative of real world values**. This could be ensured by setting a robust 'not-to-exceed' limit, as is the case for air pollutant emissions such as NO_x. Such a test could also be used to provide consumers with more reliable information about the performance of their cars.

BEUC Proposal:

- **Develop a real world CO₂/fuel consumption test for conformity testing and consumer information purposes**

⁷ 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.

⁸ Wider aspects related to type approval and market surveillance also need to be considered, see BEUC's position paper (2016) with full recommendations [here](#)

Making the targets cost effective

Targets to reduce CO₂ emissions should be set in such a way that they are the most cost effective. The existing targets have been determined by way of factoring in the mass of the vehicle and in essence mean that the heavier the car, the more lenient the targets are. Such an incentive to increase the weight of a vehicle of course means there is a direct disincentive to invest in lightweight materials. Reducing vehicle weight is seen as a very efficient technical option for reducing CO₂ emissions/fuel consumption from passenger cars ([NAP](#), 2011; [ICCT](#), 2010).

Research also shows that making use of an alternative parameter than mass, for determining the CO₂ targets, known as the 'footprint' (or otherwise the size of the vehicle) would mean for a more economical way to reduce CO₂ emissions. Such an approach should therefor also mean the costs passed on to car buyers will be lower than if mass is used as the parameter for determining the values ([Ricardo-AEA](#), 2015; [ICCT](#), 2011). Existing US fuel economy targets also use the size based approach for the above mentioned reasons.

BEUC Proposal:

- **Use footprint rather than mass as the parameter for determining car CO₂ targets**

Incentivising car makers to deliver ultra-low emissions vehicles

One of the factors affecting the uptake of Ultra-Low Emissions Vehicles (ULEVs⁹) in Europe concerns the market supply of such cars. Here, the lack of consumer choice and competition in the market are two reasons (not withstanding other barriers such as high purchase price and 'range anxiety') why sales of ULEVs are still relatively low today in Europe. This lack of choice needs to be addressed if the ULEV market is truly going to take off.

Under current regulations, car makers are incentivised to produce ULEVs by way of being awarded 'super-credits' - in essence for every ULEV sold, the car maker gets a bonus towards their fleet average target. BEUC has previously raised concerns about this approach as the incentive itself could mean that a car maker invests less in improving the fuel efficiency of its combustion powered cars. Other research also indicates that the system itself, rather than giving way to a larger supply of ULEVs, could in fact have the opposite affect if CO₂ targets tighten in the future ([Element Energy](#), 2016).

Alternative supply side incentives

An alternative approach to 'super-credits' would be to put in place a specific mandate on car makers to deliver ULEVs. Such a system operates in California, where in essence car makers are required to sell a minimum proportion of ULEVs in their overall sales. Targets - that allow for car makers to 'bank and borrow' when over selling or under selling ULEVs - have been set for between 2018 and 2025. The requirements become gradually more demanding over the course of this period, with the ultimate goal to increase the supply of ULEVs on the road.

⁹ e.g. plug-in hybrid vehicles (PHEV), battery electric vehicles (BEV) , hydrogen fuel cell vehicles (FCV).

It is clear that a supply side incentive for ULEVs could be beneficial in supporting the marketing of these vehicles. Whether this needs to go beyond the indirect incentive provided by way of setting ambitious fleet wide CO₂ emissions targets (as recommended by BEUC) is there for debate. BEUC's position here is that **any additional supply side incentive scheme needs to account for any potential negative consumer impacts** and in turn demands a full assessment of the consumer impacts. Lessons should be learnt from the experiences in other regions such as California ([Energy Analyses](#), 2015). In addition BEUC recommends that any incentive scheme for ULEVs should focus only on aiding the deployment of any vehicle that emits zero tail pipe emissions or has significant zero tail pipe emissions capability (e.g. of at least 50km range). The primary focus here must be on achieving the greatest possible cuts to emissions rather than on the deployment of any specific technology.

BEUC Proposal:

- **A full assessment of the consumer impacts should be conducted before adopting any supply side incentive for the production of ULEVs – and support only technologies that emit zero tail pipe emissions on a regular basis**

2. Ensuring the roll out of charging infrastructure

For prospective buyers of ULEVs, another of the key barriers to uptake at present concerns the lack of charging infrastructure. There are several areas where advances are required, particularly: the need to increase the coverage of rapid charging stations on major roads; barriers surrounding home charging where off-street parking is not available; and the necessity to ensure convenient access and payment options for charging between cities and countries. At the European level, there are a number of areas where the EU can take action:

Deploying adequate charging infrastructure

At the European level, measures have already been taken by way of the adoption of the Alternative Fuels Infrastructure (AFI) Directive. This Directive requires Member States to set targets for the deployment of charging infrastructure. For instance, Member States have to set targets for publicly available electric charging points for 2020 and for hydrogen charging points for 2025. Today, in most European countries there is a lack of available charging



infrastructure for both electrically powered and hydrogen powered vehicles. Clearly, with more ULEVs expected on the road by 2030, the EU will also need to shortly consider reforming the Directive to properly account for the period between 2020 and 2030. The Commission will also need to review how Member States have implemented the existing Directive's obligations, **assess whether countries have done enough to deploy**

charging infrastructure across Europe and take action against Member States where there are failings.

The Directive also states that Member States shall ensure that recharging points for electric vehicles should comply with at least two specific charging plugs/connectors (known as 'Type 2' and 'Combo 2'). Such requirements have been operational since 18th November 2016. Although this is a good first step, the implementation of the Directive must be reviewed in order to examine whether the current requirements are fit for purpose and apply to all publically accessible charging points. **A review should also ensure that the authentication and payment systems for charging stations are not penalising consumers**, particularly when using charging stations outside their home region or country. The problem here is that even when a motorist has the correct charging cables, if they do not have the correct payment, RFID card or online app, that are supported by the specific charging point, then they might still be prevented from being able to recharge.

Charging at home and in the private sector

At the end of November 2016, the Commission launched its 'Clean Energy for all Europeans' legislative proposals, which included measures to improve infrastructure for ULEVs. For instance, under the proposed reforms to the EU's Energy Performance of Buildings Directive, charging points and pre-cabling would be required in certain residential and non-residential buildings. Although BEUC supports the aims of these proposals we think they can be more ambitious here for example by not exempting SMEs (this could in essence exempt many supermarkets and shops for instance) and by ensuring that pre cabling is applied to all new residential homes (For more information, see the dedicated BEUC (2017) position paper [here](#)).

BEUC Proposal:

- **The EC and MS must properly implement the Alternative Fuels Infrastructure Directive, ensuring a coherent and adequate distribution of charging infrastructure and convenient payment systems for users across the EU**
- **The implementation of the Directive must be reviewed to ensure requirements are fit for purpose and accounts for the entire period between 2020 and 2030**
- **Under the 'Clean Energy for all European' package, all new residential buildings should have pre-cabling put in and SMEs should not be exempted from implementing charging points**

3. Informing consumers about the benefits of low emissions cars

In order to drive forward the uptake of the most fuel efficient and environmentally friendly cars across the EU, it is essential that consumers are not only provided with more realistic information (as covered in the previous section) but also information that is comparable, relevant and easy to understand. **Existing EU requirements for car labelling purposes are woefully insufficient and out of date¹⁰**. If the EU wants to become a leader in cleaner cars and support the efforts of car makers to reduce emissions, then it is of utmost importance that labelling schemes across Europe are aligned and brought into the 21st Century.

BEUC has called for a reform to the EU's car labelling Directive for many years and yet the Commission has failed to act. The Commission's Communication on low emissions mobility of July 2015 is unclear about whether or not the Directive will be amended. BEUC recommends that as part of the package of measures to lower emissions from passenger cars between 2020 and 2030, that the car labelling Directive must also be revised. It is essential that the Commission makes such a proposal now to avoid further years of delay. In addition, the reform of the Directive should consider requiring information about air pollutant emissions, as today it only refers to CO₂ emissions and fuel consumption, and more detailed information should be required with regard to the expected running costs of vehicles and how they would compare against other cars.

BEUC Proposal:

- **Reform the car labelling Directive to ensure that EU consumers are given more reliable, comparable, relevant and easy-to-understand information about the emissions, fuel consumption and cost performance of cars**

For our full list of proposals on car labelling see the full [BEUC](#) (2014) position paper

4. Consumer incentives should reward sustainable consumption

Although the focus of this paper is on the EU level approach to reducing car emissions, it is important to recognise the opportunities at the national level to influence consumer uptake and use of different vehicles. Such schemes can have a large impact on: the shape of the market; the extent to which overall emissions are reduced; and can have a large bearing on the ultimate effectiveness of EU level measures.

Purchase price and taxation incentives

Several Member States have put in place measures with the objective of incentivising the uptake of cleaner and more fuel efficient cars amongst private car buyers. Such schemes include subsidising the purchase price of a car or advantageous registration/circulation tax systems that are correlated with the emissions performance of the vehicle. Although it is unlikely that high cost purchase incentives will be needed in the mid to long term ([BEUC](#),

¹⁰ For our full list of proposals on car labelling see the full [BEUC](#) (2014) position paper.

2016), the offer of clear financial incentives to influence purchase decisions has proven popular and many consumers consider them an important criteria when purchasing a new car.

The incentives offered have been calculated, in many cases, on the basis of a correlation with the CO₂ emissions of the car. The problem here is that the CO₂ emissions of cars in general do not correlate with air pollutant emissions. Therefore, by incentivising technologies or fuel types that should reduce emissions of one group, it can mean for an increase of the other. This situation has been made crystal clear by the Dieselgate scandal as several countries in Europe have offered strong incentives for diesel cars that have turned out in many cases to be more polluting on the road than otherwise expected. Having incentive schemes that better consider the range of emissions of vehicles could go some way to avoiding such perverse effects.

Consumers also need certainty with regard to purchase and taxation incentives. They need to know how long they will be made available and when they would be changed or made unavailable. This is important for consumer confidence and providing consumer investment certainty.

In-use incentives

As a result of the growing uptake of plug-in hybrid vehicles (PHEV) that can use both an electric motor and a traditional combustion engine, there is also a need to ensure that motorists are encouraged to use electricity rather than relying on petrol/diesel during use. Evidence shows that although PHEVs have increased in sales over recent years, the amount of time that motorists have used the electric motor over the combustion engine is much less ([Element Energy](#), 2016). Incentives could be applied in the form of supporting convenient home charging and payment systems.

Other incentives

Other so called 'operational' incentives– such as use of bus lanes or free parking – can also be attractive to consumers. It is important here that such incentives should only be given for vehicles when it is clear they will not significantly impact on users of public transportation or cyclists. Where road tolling schemes are in place, they should also be implemented in such a way that encourages uptake and use of low emissions cars and **avoid any detrimental impact on consumers, particularly those in low income groups**. Finally, concerning national company car taxation systems, it would also be important to link environmental performance of the car to the size of the reward. The favourable tax treatment of company cars in some member states has led to a higher demand of more powerful, but also more polluting vehicles onto the market.

European dimension

Considering the above mentioned points, at the European level, the Commission should revise its [guidelines](#) concerning incentives for clean and energy efficient vehicles by way of highlighting the importance of considering air pollutant emissions and the importance of not merely purchase incentives but also in-use incentives, where appropriate. In addition, the Commission could take further steps to ensure that where road tolling schemes for passenger cars are in place across Europe, that Member States put in place: differentiated tolls correlated to the environmental performance of the cars; that negative impacts on low income consumers are avoided; that road toll schemes are made more user friendly for travelling between EU cities and countries; and that revenues from such tolls are reinvested primarily into public transport and more generally into lower emissions mobility.

BEUC Proposal:

- **Where necessary, consumer incentives should support both the uptake and use of vehicles that lower the environmental and health impacts of driving**
- **The Commission should amend EU guidelines on incentives in order to better capture the need to reduce air pollutant emissions and the need to incentivise low emissions driving behaviour, where appropriate**

5. Only genuinely sustainable biofuels should be supported

We support Europe's endeavours to tackle energy security and become independent on fossil fuels in the future. However, this transition will take several decades and in the short to mid-term perspective liquid fuels will still be needed for passenger cars and other modes of transport. **Biofuels could have a limited role but further attention is needed to tackle some of the well-publicised drawbacks of current policy initiatives.** Biofuels must achieve a significant CO₂ saving, avoid negative impacts on biodiversity, must not directly compete with food and have a truly sustainable benefit taking indirect land use changes into account.

There are two key consumer concerns here. The first is that motorists today are not provided with adequate assurances about how their fuels have been produced. The second point is that a motorist who owns a gasoline or diesel vehicle does not have an alternative fuelling option so as to avoid the use of biofuels if they so wished. As a result, motorists could be purchasing motor fuels produced in part with the use of unsustainable biofuels, have no way of knowing if this is the case and furthermore have no alternative option to avoid doing so. This is a situation that must be avoided under future EU biofuel policy.

Furthermore, any changes to existing biofuel policy must ensure that the use of new or advanced biofuels do not negatively impact on the performance or durability of passenger cars. This is because there are consumer concerns about biofuel usage and the potential impacts of increasing their mix into traditional fuels ([ChathamHouse](#), 2013; [NTNU](#), 2015).

BEUC Proposal:

- **Biofuels should only be supported if they achieve a significant CO₂ saving; avoid negative impacts on biodiversity; do not directly compete with food production and do not negatively impact on vehicle performance or durability**

For more information on BEUC's wider position concerning sustainable mobility see our dedicated vision paper [here](#)



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