

## **AVERE's Position Paper on the European Commission's proposal on new heavy-duty vehicles: CO2 emission performance standards**

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### **Introduction**

The European Association for Electromobility (AVERE) was founded in 1978 and is a European network of members including vehicle and equipment manufacturers, NGOs, associations, interest groups, public institutions, research and development entities, and EV users. AVERE welcomes the European Commission proposal to set CO2 emission performance standards for new heavy-duty vehicles in the EU, and believes that this file will be of utmost importance to further accelerate the uptake of zero and low emission heavy duty vehicles across the European Union.

It is extremely timely for the European Union to set targets on new heavy-duty vehicles given that Canada, the United States, China, and Japan all have already set specific future CO2 targets or fuel consumption standards for heavy duty vehicles. Moreover, given that the zero and low emission heavy duty vehicle market is still quite nascent in Europe, the creation of forward looking and stable policies will help drive technological development and help to bring down the currently high upfront costs for the sector.

In fact, according to the European Commission, Heavy Duty Vehicles (HDVs) are responsible for about a quarter of CO2 emissions from road transport in the EU and for some 6% of total EU emissions. This combined with the fact that global CO2 emissions last year in 2017 reached a historic high of 32.5 gigatonnes (an overall growth of 1.4 % in 2017) after three years of global emissions remaining flat<sup>1</sup>, shows that the EU must take action now to take further decarbonise the transport sector.

### **Strong Binding CO2 Targets**

In order to ensure to provide the right signals for industry, higher targets will be necessary for the European heavy duty vehicles sector. Furthermore, taking into account the recent calls by both industry<sup>2</sup> and EU Member States<sup>3</sup>, for high and reliable targets, it is evident that the EU must do more to decarbonise the heavy duty transport sector. AVERE supports a binding target of 20% CO2 reduction by 2025 and 40% by 2030, for regulated vehicles, as compared to 2019 figures. According to the European Commission impact analysis, this is not only technologically feasible but would bring substantial economic and social benefits.

### **Zero and low-emission vehicle (ZLEV) Incentives**

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<sup>1</sup>[http://www.iea.org/geco/emissions/?utm\\_content=buffer2d5cf&utm\\_medium=social&utm\\_source=linkedin.com&utm\\_campaign=buffer](http://www.iea.org/geco/emissions/?utm_content=buffer2d5cf&utm_medium=social&utm_source=linkedin.com&utm_campaign=buffer)

<sup>2</sup><https://www.transportenvironment.org/sites/te/files/30.05.2018%20Nestl%C3%A9%20-%20IKEA%20business%20letter%20clean%20trucking.pdf>

<sup>3</sup><https://www.reuters.com/article/us-eu-trucks-emissions/eu-states-call-for-ambitious-truck-co2-emissions-targets-idUSKBN1I80VS>

In addition to strong targets, the European Commission has set out specific incentives (i.e. a super credit system) that is supposed to support the future development of zero and low emission heavy duty vehicles. However, given the past experience with previous pieces of regulations that have used the super credit incentive scheme AVERE fears that this could result in multiple counting of low emission trucks. Instead, a benchmark or a sales target of 5% for zero-emission vehicles to be achieved before manufacturers access the incentive mechanism, would work much more effectively in this regard.

Additionally, the ZLEV multiplier, used to calculate a manufacturer's average CO<sub>2</sub> emissions, only uses the number of ZLEVs and regulated vehicles sold by a manufacturer as part of the calculation. This does not take into account the overall differences in annual mileage and payload of the vehicles and therefore eliminates any real incentive for longer haul freight vehicles that have a greater challenge and upfront cost to implementing ZLEV technology in a cost-effective manner. Thus AVERE believes that the system should take into account the CO<sub>2</sub> emissions of the respective sub groups. At the same time, the provision of lower super credits (i.e. 1.2) could result in more e-trucks on the road, as the current multiplier of 2 means that manufacturers don't need to produce a high amount of e-trucks to reap the high benefits. Lastly, a ZEV benchmark should also be included within the regulation that would incentivise and kick in after manufacturers sell a certain amount of e-trucks.

Furthermore, while it is necessary to increase the support for "unregulated" vehicles such as buses and vocational trucks, they should not be included in the credit system or used in any way to water down the incentives for regulated zero and low emission technologies. This is due to the fact that these groups of vehicles have no compliance cost associated with them. Moreover, given the ongoing developments and investments made into ZLEV buses combined with the fact that the Clean Vehicles Directive will provide regulatory guidance for public procurement, sales of ZLEV buses will thus only serve to undermine the zero emission transition efforts of the targeted heavy duty vehicles and reduce the environmental rigour of the regulation.

## **Baseline measurements and transparency**

To ensure transparency in the emissions measurements process and eliminate any doubt about the specific data reported by manufacturers, the emission reporting process and tools must be completely transparent to both the Commission and general public, for verification processes. This includes both the yearly emission measurements as well as the specific reported CO<sub>2</sub> emissions within the respective sub groups as defined by the Regulation. Given the findings made by the European Commission's Joint Research Centre over the inflation of WLTP emission targets made in the Summer of 2018, as they relate to the proposed CO<sub>2</sub> emissions for passenger cars Regulation, the heavy duty vehicles Regulation should use verified and transparent data that used by the European Commission within its original Impact Assessment to develop the 2019 baseline.

## **We must take action now to set the tone for electrification for the future**

It will be key to the future decarbonisation of the heavy duty transport sector to set ambitious and forward looking CO<sub>2</sub> targets with strong zero and low emission vehicle targets. Ambitious regulation and binding targets are key to reducing the risk of investing in zero-emission technology, while conversely, less stringent policy will lead to less investments made in the key areas, and increase the overall risk to the total long-term European job creation.