Revision of parts of the CO$_2$ emission performance standards for cars and vans

Eurelectric position paper

November 2021
Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

- **Investing** in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

- **Transforming** the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

- **Accelerating** the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

- **Embedding** sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

- **Innovating** to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.
CO₂ emission performance standards for cars and vans

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KEY MESSAGES

- Eurelectric fully supports the newly proposed emission reduction targets for cars and vans, aiming at 2035 as the date for the phase-out of the internal combustion engine (ICE).

- To sustain these higher ambitions, Eurelectric suggests putting the automotive industry on a clear linear path for CO₂ reductions until 2035, with frequent and precise targets.

- Eurelectric proposes the reconsideration of the currently existing benchmark for sales of zero- and low-emission vehicles (ZLEVs). First, it should now focus on zero-emission vehicles (ZEVs), hence excluding highly polluting plug-in hybrid electric vehicles (PHEVs). Also, it should be progressively increased to reach a 100% share of ZEVs to be sold in 2035.
With the proposed CO2 emission performance standards for cars and vans, the European Commission has shown a real commitment to reach carbon neutrality by 2050. The proposal would ensure that the 2019 Regulation is updated to be fit for the 55% GHG reduction by 2030 target. Additionally, the European Commission has come forward with a strong and welcomed target of 100% CO2 emission reductions by 2035, substantially phasing out the polluting internal combustion engine (ICE) and detailing a cost-effective path to transport decarbonisation. This proposal is mostly in line with Eurelectric’s positions. Nonetheless, improvements are possible to make sure that e-mobility experiences the acceleration it needs.

**New targets**

Eurelectric supports the new car and van reduction targets as proposed by the EC:

- For Cars: 55% by 2030 and 100% by 2035
- For Vans: 50% by 2030 and 100% by 2035

**A sustained path for emission reductions**

Nonetheless, Eurelectric believes that the level of ambition of these targets must be supported by stricter and more frequent surveillance that would ensure:

- A decrease in the manufacturing cost of EVs, with a direct impact on their cost for consumers;
- A steady uptake of EVs through the 2020s; and
- The likelihood of achieving the 2035 target.

To reach these abovementioned objectives, Eurelectric suggests establishing a clear linear path for CO2 reductions between 2025 and 2035. The automotive industry should be allowed a degree of flexibility around this path (5–10% of the target each year). Nonetheless, each 5-year deadline must be met.

**ZLEV sales benchmark**

Bearing in mind an analysis published by Bloomberg and Transport & Environment, the currently existing benchmark for sales of zero- and low-emission vehicles (ZLEVs) has to be reconsidered. On the one hand, it is crucial to reduce its scope to apply only to zero-emission vehicles (ZEVs), hence excluding highly polluting plug-in hybrid electric vehicles (PHEVs). On the other, the benchmark has to be progressively increased as follows: 25% for cars and 20% for vans by 2025, 35% for both by 2027, and 67% for both by 2030, to finally reach 100% for both by 2035.

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1 Hitting the EV infection point, Bloomberg for T&E, May 2021
Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development
- Growth, added-value, efficiency

Environmental Leadership
- Commitment, innovation, pro-activeness

Social Responsibility
- Transparency, ethics, accountability