

CALL FOR EVIDENCE FOR AN IMPACT ASSESSMENT

TITLE OF THE INITIATIVE	<i>Reducing carbon emissions – review of emission standards for heavy-duty vehicles</i>
LEAD DG (RESPONSIBLE UNIT)	DG CLIMA.C4 – Road transport
LIKELY TYPE OF INITIATIVE	Legislative, through the ordinary legislative procedure
INDICATIVE TIMETABLE	Q4 2022
ADDITIONAL INFORMATION	https://ec.europa.eu/clima/policies/transport/vehicles/heavy_en

This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described, including its timing, are subject to change.

A. Political context, problem definition and subsidiarity check

Political context

As one of the key elements of the [European Green Deal](#), the [European Climate Law](#) sets out the EU's commitment to reaching climate neutrality by 2050 and the intermediate target of reducing net greenhouse gas (GHG) emissions by at least 55% by 2030 compared with 1990. The [Sustainable and Smart Mobility Strategy](#) calls for a shift to zero-emission mobility. These goals can be reached only by laying down more ambitious policies to reduce transport GHG emissions by 90% by 2050.

To this end, in July 2021, the Commission proposed [a package of legislative proposals](#) based on a combination of pricing, rules and targets. This new initiative complements this package by addressing the emissions of heavy-duty vehicles (HDV).

The current CO₂ emission standards for heavy-duty vehicles, laid down in [Regulation \(EU\) 2019/1242](#) (hereinafter 'HDV Regulation'), set average CO₂ emission standards for new heavy lorries (above 16 t) from 2025, which become more stringent as from 2030. It also includes a review clause: by the end of 2022, the Commission is required to review the effectiveness of the Regulation and, where appropriate, submit a proposal for its amendment.

The CO₂ emission standards for HDV build upon the CO₂ [Certification Regulation \(EU\) 2017/2400](#) and the [Monitoring and Reporting Regulation \(EU\) 2018/956](#).

This initiative is also linked with other EU policies, including the [Eurovignette Directive](#), the [Clean Vehicles Directive](#), the proposed [regulation on deployment of the alternative fuels infrastructure](#), the [Renewable Energy and Energy Efficiency Directives](#), the [EU Emissions Trading System](#), the [air pollutant standards for new HDV](#), and the proposed [new emissions trading system for road transport and buildings](#).

Problem the initiative aims to tackle

The road transport sector is responsible for about 21% of total EU GHG emissions. HDV alone generate around 6% of total GHG emissions. Without further measures, the sector will not provide a sufficient contribution to the climate objectives for 2030 and 2050. According to projections in the [Reference Scenario 2020](#), CO₂ emissions from the HDV sector will decrease by only around 7% and 12%, in 2030 and 2050 respectively, compared with 2015.

The key drivers of this problem are the insufficient level of ambition of the current HDV CO₂ standards and the projected increase in heavy-duty transport demand. Furthermore, the current standards will not be a sufficient incentive for the investments in zero-emission vehicles (ZEV) that are necessary to reduce emissions in this sector. This would also hamper innovation in ZEV and thereby put at risk the technological leadership and competitiveness of EU industry.

In addition, there are still market failures and barriers that prevent the market alone from delivering CO₂ reductions from HDV or a faster uptake of ZEV, such as: insufficient access to finance; model affordability of ZEV; availability and accessibility of the necessary recharging/refuelling infrastructure; and split incentives.

The review of the HDV Regulation will address the problems described above.

Basis for EU action (legal basis and subsidiarity check)

Legal basis
The legal basis of this initiative is Article 192(1) of the Treaty on the Functioning of the European Union.
Practical need for EU action
Member States acting individually with different national schemes would result in differing ambition levels leading to the risk of fragmenting the single market. EU action is justified as there is a single market for new HDV and it is most cost-effective to ensure harmonised action across the market. Furthermore, harmonised CO ₂ emission standards provide industry with the required regulatory certainty and predictability to make the large capital investments that are necessary.
B. Objectives and policy options
<p>The main objective of this initiative is to reduce CO₂ emissions from HDV cost-effectively. It aims to contribute to the more ambitious 2030 and 2050 climate objectives, while fostering innovation in zero-emission technologies and providing benefits for citizens, consumers and transport operators.</p> <p>The impact assessment will explore a variety of options on various provisions of the HDV Regulation, including:</p> <ul style="list-style-type: none"> • the stringency of the CO₂ emission targets (targets and timing); • the possible extension of the scope of the Regulation to other heavy-duty vehicles; • the nature and appropriateness of a mechanism to provide incentives for zero- and low-emission vehicles; • the appropriateness of a new mechanism to take into account the potential contribution of renewable and low-carbon fuel when determining manufacturers' compliance with their targets; • other options to support cost-effective implementation of the standards, such as pooling and exemptions for small-volume manufacturers; and • the possibility to assign the revenues from any fines to a specific fund or programme to ensure a just transition for the people and regions most affected by the changes involved in the transition towards climate neutrality.
C. Likely impacts
<p>The main environmental impact is the expected reduction of GHG emissions from HDV, while also contributing to the zero-pollution ambition through a reduction of air pollutant emissions such as NO_x and particulate matter.</p> <p>While the deployment of more efficient and zero-emission vehicles may also lead to an increase in upfront vehicle cost, it is expected this will be offset in the longer term by reduced direct fuel costs, leading to an overall decrease in the total cost of ownership. In addition, the increasing supply of zero-emission HDV will, over time, bring down their costs due to economies of scale.</p> <p>Significant investments in zero-emission technologies and accompanying recharging and refuelling infrastructure can be expected, stimulating energy system integration, innovation, technological developments, and business opportunities creating new job opportunities in sectors traditionally not part of the automotive sector (e.g. electronics, software, services). However, an increased market penetration of ZEV would switch the business of suppliers specialised in conventional vehicle components to different production or services. Since the transformation will lead to changes in the type of jobs required, reskilling and upskilling of workers will be needed and related investment and/or restructuring needs will have to be assessed carefully.</p> <p>No significant change in the administrative burden is expected.</p>
D. Better regulation instruments
Impact assessment
An impact assessment is being prepared in full consistency with the proposals of the July 2021 package .
Consultation strategy
<p>The Commission will seek views by inviting feedback on the proposed initiative during a minimum 12-week period.</p> <p>The consultation will consist of collecting online feedback on this inception impact assessment and an open online public consultation. It will also be accessible via the Commission's central public consultations page and the DG CLIMA website. Stakeholder documents such as position papers, policy briefs or roadmaps will also be welcomed.</p>

The consultation will also be communicated through other relevant events and fora.

The results of the consultation will be analysed and will feed into the preparation of the initiative and its impact assessment and will be made public.

Why we are consulting?

The Commission wants to ensure that the general public interest across the EU is well reflected by collecting feedback and gathering further information including roadmaps, policy briefs, studies and analysis of policies, actions and technologies.

Target audience

National, regional and local governments and authorities, relevant industrial sectors (vehicle manufacturers, component suppliers, fleet operators, etc.) and related associations, social partners, consumers and professional organisations, NGOs, research and academic institutions and public procurement authorities.