

# FUTURE CO2 STANDARDS FOR HEAVY-DUTY VEHICLES

## EUROPEAN TRUCK INDUSTRY POSITION



ACEA members have significantly reduced CO2 emissions from new heavy-duty vehicles over the past years. In parallel, pollutant emissions have been slashed dramatically. Looking ahead, the automobile industry remains committed to further cutting CO2 from road transport.

Following the introduction of the system for declaring the CO2 values of new vehicles, manufacturers are now keen to contribute to the development of the first-ever EU standards for CO2 emissions from trucks, which were proposed by the European Commission in May 2018.

### CO2 STANDARDS: AMBITION LEVEL AND TIMING

#### -7% CO2 BY 2025



Given the state of the truck market and technology today, a 7% CO2 reduction by 2025 (ie -1.2% per year) is achievable at

high, but acceptable, cost. This ambition level strikes the right balance between being both ambitious and realistic.

- It is important to understand that the development of trucks to be delivered to customers in 2025 is already underway right now, given their long product and development cycles.
- Therefore, the 2025 CO2 target will require truck manufacturers to fit new technologies into vehicles that already are under development, even if this was not originally planned. This is a major challenge.

#### -16% CO2 BY 2030



In addition to the 2025 target, the truck industry also supports a longer-term, indicative CO2 reduction target of

16% by 2030 (ie -2% per year from 2025 to 2030) based on a 2019 baseline.

- This ambition level was confirmed to be realistic in a study by independent research body Transport & Mobility Leuven, assessing the CO2 reduction potential of new vehicles with a 2030 time horizon.

#### REVIEW IN 2022



The interim review proposed by the European Commission for the year 2022 should allow for adjusting

the 2030 CO2 target upwards or downwards in order to reflect the realities of the heavy-duty vehicle market at that point in time.

- For example, any CO2 target must be (re)aligned with potential new Euro standards in the future, since reducing pollutant emissions requires conflicting measures to reducing CO2.
- Likewise, the review should take into account the availability of refuelling and charging infrastructure for alternatively-powered vehicles, as well the market uptake of such alternative powertrains.
- And by reflecting the latest information on the fuel consumption of heavy-duty vehicles, as declared through VECTO, as well as the newest fuel-efficient technologies on the market by then.



The new CO2 framework should provide the right enabling conditions and enough flexibility to make sure that the CO2 targets are actually deliverable in practice and reflect the complexity of the truck market.

### UPDATE VECTO YEARLY



The European Commission's commitment to regularly update VECTO is a step in the right direction,

but is deemed insufficient in itself by the automobile industry.

- ACEA supports using VECTO for calculating the official CO2 values of a heavy-duty vehicle, as this simulation tool is able to capture the differences between each individual new truck.
- However, the current proposal simply does not guarantee that new fuel-efficient technologies introduced by truck makers in the future will be duly considered and rewarded in a quick manner.
- Hence, a binding commitment to regularly update the VECTO simulation tool is necessary; this update should take place on a yearly basis and ought to be accompanied by an appropriate EU budget.

### IMPROVE LEV/ZEV SYSTEM



ACEA welcomes the introduction of a super-credit system, which seeks to incentivise the market uptake of low- and zero-emission heavy-duty vehicles (also known as LEVs and ZEVs).

- Simply put, when selling a LEV or ZEV, a manufacturer will be granted so-called 'super credits' that count multiple times towards achieving the manufacturer-specific CO2 target.
- However, the definition of LEVs should be improved by using the g CO2/tkm metric, which better reflects the work done by a heavy-duty vehicle than the g CO2/km proposed by the Commission.
- Moreover, ACEA believes that there should be no cap on super credits for the 2019-2029 period.

- Super credits should also apply to all vehicles emitting at least 35% less CO2 than the reference value.
- To incentivise the development of ZEVs that can transport payloads over long distances, ACEA proposes that long-haul ZEVs should count three (>100km), four (>200km) or five (>400km) times.

### ALLOW USE OF CREDITS WITHIN FIVE YEARS



According to the Commission's proposal, when a truck manufacturer outperforms its annual company-specific CO2 target in a given year it would be possible to 'bank' that overperformance using credits.

- These credits can then be used if a truck maker does not reach the annual CO2 target in another year (eg because of fluctuations in market demand).
- ACEA welcomes this system but recommends that it should allow manufacturers to use credits within five years, while obliging them to clear debts within three years.

### ENABLE CO2 POOLING



Manufacturers of heavy-duty vehicles should be able to pool the results of all entities or brands within a group, similarly to what already has been proposed for cars and vans.

- So far, however, the European Commission has not proposed a workable mechanism that allows for the pooling of CO2 emissions of trucks or buses/coaches built by different legal entities.

### STIMULATE INNOVATION



Last but not least, the adoption of other innovations that can reduce CO2 emissions from road transport in a cost-effective way, such as the European Modular System (EMS) and truck platooning, should receive more support.

## COMPLIANCE

### ADJUST PENALTY



While truck manufacturers do not disagree with the principle of paying penalties in case of excess CO2 emissions, they are concerned about the high amounts specified in the proposal.

- The objective is to encourage manufacturers to reach the CO2 targets by investing in new fuel-efficient technologies, rather than paying a fine. The amount of the penalty should be set accordingly, in line with technology costs.
- It is also important to use the right metric, reflecting the work performed by a vehicle, ie g CO2/tkm.
- That is why ACEA recommends that the penalty is set at €570 per gramme CO2/tkm.

## CONCLUSION

**Europe's truck manufacturers are willing to commit to ambitious CO2 targets, provided that these are realistic and in line with what is technologically possible and economically viable.**

In order to ensure that the CO2 targets under discussion are also deliverable in practice, ACEA believes that the new regulatory framework should strive to be cost-effective, reflect the diversity of the truck market, and enable innovation without imposing a technology choice.