

【欧州】 【Common】 【自動車】

Common - Fit for 55 package/Road/Railway - New legal instruments on environment for vehicles: European Parliament adopts zero CO₂ emission limit for new passenger cars and vans by 2035 - Council decision postponed due to rising criticism

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【概要 : Summary】

In 2019, the European Commission presented the European Green Deal to achieve the net-zero GHG emission target in 2050. On 14 July 2021, the Commission presented the “Fit for 55” package to review all laws and to align them with this new net-zero emission target of the European Green Deal in 2050. To deliver on this increased level of ambition for 2030 and on the 90% GHG emission reduction target set for the transport sector in 2050, the “Fit for 55” package also includes a proposal to review the GHG emission standards of new passenger cars and light-duty vehicles (vans) (COM (2021) 556 final).

This proposal presents a set of CO₂ emission standards for new passenger cars and vans including the target of reaching at least a 55% reduction for the fleet-wide CO₂ emissions of new passenger cars, and a 50% reduction for new vans by 2030, compared to 1990 levels. It also introduces a 100% CO₂ emissions reduction target for new passenger cars and vans by 2035, which implies a phasing-out of new passenger cars and vans with internal combustion engines.

On 8 June 2022, the European Parliament’s plenary adopted its position on COM (2021) 556

final, supporting the target to reach a 100% reduction of CO₂ emissions of newly registered passenger cars and vans by 2035. The Council of the European Union also agreed on introducing this target on 29 June 2022. However, the Council also added a recital clause for allowing to register new vehicles running exclusively on CO₂ neutral fuels (e-fuels), thereby deviating from the target to completely abolish new passenger cars and vans with internal combustion engines by 2035.

On 27 October 2022, the Council and the European Parliament concluded an agreement, which contained the 100% CO₂ emissions reduction target for new passenger cars and vans by 2035 and the clause for vehicles running on CO₂ neutral fuels in recital 9a. On 14 February 2023, the European Parliament approved the compromise agreement, and the Council of the European Member States was expected to formally endorse the legislative text at the EU Member States’ education ministers’ meeting on 7 March 2023 without further discussion. However, criticism regarding the complete phasing-out of new passenger cars and vans with internal combustion engines has increased significantly amongst the

EU Member States. In particular, the German and Italian government seem reluctant to phasing-out these vehicles by 2035. The German Federal Transport Minister now demands more sufficient assurances beyond the recital clause for allowing new passenger cars and vans with internal combustion engines beyond 2035, if they are carbon neutral. This increased resistance against the law in its current version could jeopardise its adoption by the necessary qualified majority of Member States. Therefore, the Swedish Council Presidency has now decided to postpone the planned vote to a later date.

【記事 : Article】

1. Background of the proposal on new emission standards for new passenger cars and vans

The first legislation on GHG emissions from road transport including Regulation (EU) 443/2009 for passenger cars and Regulation (EU) 510/2011 for light commercial vehicles (vans) was replaced by Regulation (EU) 2019/631 as of 1 January 2020 to set new CO₂ emission performance standards beyond the year 2020 (European Commission n.d.).

However, based on the 2050 net-zero GHG emission target and the target to reduce the transport system's GHG emissions by 90% by 2050 under the European Green Deal (COM/2019/640 final), and the European Climate Law's (Regulation (EU) 2021/1119) new mid-term target of reducing CO₂ emissions by 55% by 2030 compared to 1990, GHG emission limits for new passenger cars and vans needed to be reviewed (European Commission 2021). Therefore, under the "Fit for 55" legislative package of 14 July 2021, the European Commission also presented proposal COM (2021) 556 final for a Regulation amending Regulation (EU) 2019/631 as regards strengthening the CO₂ emission performance standards for new passenger cars and new vans in line with the EU's increased climate ambition (COM/2021/556 final). In this proposal COM (2021) 556 final, the Commission presented a set of CO₂ emission standards for new passenger

cars and vans, including a reduction of GHG emissions by at least 55% for the fleet-wide CO₂ emissions of passenger cars by 2030 compared to 1990 levels, and 50% for vans (COM (2021) 556 final, European Parliament 2023a). The 2030 target would be followed by a 100% fleet-wide CO₂ emission reduction target for new passenger cars, and a 100% reduction target for new vans from 1 January 2035 onwards (European Parliament 2023a). This implied also that no new passenger cars with internal combustion engines would be allowed to be sold in the EU starting from 2035 (Conseil de l'Union européenne 2022).

2. The European Parliament's and Council's compromise agreement on new emission standards for new passenger cars and vans

In the European Parliament, the European Parliament's Committee on the Environment, Public Health, and Food Safety (ENVI Committee) adopted its position on the proposal COM (2021) 556 final on 11 May 2022, supporting the Commission's proposed 2030 and 2035 targets and the phasing-out of internal combustion engine passenger cars and vans by 2035 (European Parliament 2023a). The European Parliament approved the amendments to the proposal on 8 June 2022 with the plenary supporting the target to reach zero-emission road mobility by 2035 with an EU fleet-wide target of a 100% reduction of the CO₂ emissions produced by new passenger cars and light commercial vehicles by 2035, compared to 2021 (European Parliament 2022a). It also supported the 2030 target of an intermediate 55% GHG emission reduction for new passenger cars and a 50% GHG emission reduction for new vans, among others (European Parliament 2022a). The adopted text constituted the European Parliament's position in the trilogue negotiations with the Council of the EU Member States.

The Council of the European Union adopted its general approach on 29 June 2022 on the proposal as negotiation position, also largely following

the Commission's proposal (European Parliament 2023a, Council of the European Union 2022b). However, while the Council agreed to raise the targets for reducing CO₂ emissions by 2030 and agreed to introduce a 100% CO₂ emissions reduction target for new passenger cars and vans by 2035, they stated that the CO₂ emission reduction standards should be reached in a technology-neutral way (Council of the EU 2022a).

Therefore, the ministers agreed to add a clause, tasking the Commission to make a proposal for registering vehicles running exclusively on CO₂ neutral fuels after 2035 in conformity with EU law, outside the scope of the fleet standards, and in conformity with the EU's climate neutrality objective (Conseil de l'Union européenne 2022). The general approach obliges the European Commission to prepare a report by 2026 and to consider technologies such as "plug-in hybrids" and "CO₂ neutral fuels" (Council of the EU 2022). Paragraph 9a of the recital states that "Following consultation with stakeholders, the Commission will make a proposal for registering after 2035 vehicles running exclusively on CO₂ neutral fuels in conformity with EU law, outside the scope of the fleet standards, and in conformity with the Union's climate neutrality objective" (Conseil de l'Union européenne 2022). The phrase "outside the scope of the fleet standards" is being interpreted as a permission to introduce vehicles that use CO₂ neutral fuels (Conseil de l'Union européenne 2022). Accordingly, the Council's position includes a compromise on the phasing out of passenger cars with internal combustion engines, allowing passenger cars and vans based on e-fuels, also known as synthetic fuels, derived from the combination of hydrogen, electricity, and CO₂ captured from industrial processes, also beyond 2035 ((Conseil de l'Union européenne 2022, Council of the EU 2022a). These e-fuels are considered being climate neutral if renewable energy is used for their production and

cars that use e-fuels should still be allowed after 2035 (Council of the EU 2022a).

On 27 October 2022, the co-legislators reached a trilogue compromise agreement on the proposal, and Coreper endorsed the agreed text on 16 November 2022, while the ENVI Committee approved it on 1 December 2022 (European Parliament 2023a, 2022b). To reflect the EU Member States' concerns with strong automobile manufacturing industries, the agreement also includes recital 9a on CO₂ neutral fuels (e-fuels). It deviates from the Commission's and the European Parliament's target to completely abolish internal combustion engines in new passenger cars and new vans from 2035 onward (Council of the EU 2022b, 2022c, European Parliament 2022a, 2023a). Instead, the new recital 9a asks the Commission to make a proposal to allow vehicles running on carbon-neutral fuels "outside the scope of the fleet standards", even after 2035 under the condition that the fuel used is considered carbon neutral (Council of the EU 2022c). Under this review clause, the Commission will assess the progress made towards achieving the 100% emission reduction targets by 2026 and it will review the targets, taking into account technological developments, including plug-in hybrid technologies and the importance of a viable and socially equitable transition towards zero emissions (Council of the European Union 2022b). The provisional political agreement had still to be formally adopted by the Council and the Parliament. (Council of the European Union 2022b).

3. The European Parliament's vote on the compromise agreement

On 14 February 2023, with 340 votes in favour, 279 against and 21 abstentions, the European Parliament approved the new CO₂ emissions reduction targets for new passenger cars and light commercial vehicles under proposal COM (2021) 556 final, as part of the "Fit for 55" package (European Parliament 2023b).

Thereby, the MEPs endorsed the political agreement reached with the Council on 27 October 2022 (European Parliament 2023b). The new legislation sets the CO₂ emissions target of 100% by 2035 for new passenger cars and vans as an EU fleet-wide target compared to 2021. Intermediate CO₂ emissions reduction targets for 2030 are set at 55% for cars and 50% for vans (European Parliament 2023b). According to the regulation, every manufacturer must ensure that the average CO₂ emissions from its fleet of newly registered vehicles in a calendar year do not exceed its specific annual emissions target (Council of the European Union 2022b). Other key measures include the Commission report on CO₂ emissions throughout the full life cycle of cars and vans sold on the EU market by 2026, accompanied by legislative proposals where appropriate (European Parliament 2023b). Manufacturers responsible for small production volumes in a calendar year (1,000 to 10,000 new cars or 1,000 to 22,000 new vans) may be granted a derogation until the end of 2035 (those registering fewer than 1,000 new vehicles per year continue to be exempt) (European Parliament 2023b). Every two years, starting from the end of 2025, the Commission will publish a report to evaluate the progress towards zero-emission road mobility (European Parliament 2023b). The related revision of the deployment of an alternative fuels infrastructure (AFIR), which is currently discussed between the Council and the Parliament, will enable to develop an infrastructure for drivers to recharge their vehicles across the Member States (Council of the European Union 2022b).

4. Concerns regarding a last minute rejection of the political agreement by some EU Member States

Following the final vote in the European Parliament's plenary on 14 February 2023, the legislative text has to be formally endorsed by Council of the European Union. However, recently,

some Member States are concerned by the consequences of the legislation and are rejecting the legislative text that would phase out new passenger cars and vans with internal combustion engines by 2035.

The European automotive industry, which accounts for 7.5 million jobs and more than 6% of European employment overall, is in a phase of transformation due to the changes required by the EU's climate targets and the "Fit for 55" package (COR 2023). Accordingly, the automotive industry is heavily affected by the necessary transition towards zero-emission vehicles (COR 2023).

Considering this background, the idea of a complete phasing-out of vehicles with internal combustion engines and a focus on solely electric passenger mobility rather than a technology-open approach, the new legislation based on COM (2021) 556 final is causing rising criticism and resistance of those EU Member States with important automobile industries, in particular Italy and Germany.

Germany was resistant against the phasing out of internal combustion engines from the start. Therefore, the recital 9a had been introduced in the compromise agreement between the European Parliament and the Council. This recital, although non-binding, would leave a door open to other technologies if they are GHG emission neutral. However, the German Federal transport minister is not willing to supporting the new law in its current version anymore, although the compromise's final version had been agreed also by the Council of the European Union and thereby by its Member States, on 27 October 2022.

While the European Parliament has already approved the law's current version in a vote on 14 February 2023, on 7 March 2023, the EU Member States were expected to finally approve the law. However, due to increasing resistance of some Member State's governments against the phasing-out of vehicles with internal combustion engines

by 2035 and their consideration to reject the new law in a last-minute decision, the final vote by the EU Member States was postponed.

The Italian government and the German Federal Transport Minister Volker Wissing are criticising the law for leaving the path of a technology-open approach. Wissing insists that the use of synthetic fuels (e-fuels) derived from the combination of hydrogen, electricity, and CO₂ captured from industrial processes for passenger cars must be possible also after 2035. Otherwise, Germany would not be able to agree to the law's text (Spiegel Online 2023, BMDV 2023). He insisted that it should be the European Commission's task to enable the use of climate-friendly e-fuels also in passenger cars and this should apply to both, the existing fleet and to newly registered passenger cars and vans after 2035. Wissing also criticised European Commission's Vice president Frans Timmermans for his negative statements regarding the use of passenger cars and vans with combustion engines beyond 2035 and e-fuels (Spiegel Online 2023, European Commission 2023).

However, according to Frans Timmermans, "the future of the European car industry is not in combustion engines. Tying them to the past, is going to make it more difficult for them to invest into the future." (European Commission 2023). The European automobile industry should be given the opportunity to concentrate all their investment potential on the future, which, as Timmermans states, is in electrification (European Commission 2023).

5. Conclusion

The European Parliament supports the legislation to phase out sales of new passenger cars and vans with internal combustion engines and supports the limitation to emissions-free all-electric models. Already before a compromise agreement was reached with the Parliament, the Council, and in particular Germany, favoured an exemption from

the phasing-out of new passenger cars and vans with internal combustion engines, if they are powered with e-fuels. Therefore, paragraph 9a was inserted in the non-binding recital part of the law. This clause was added to allow for registering vehicles running exclusively on CO₂ neutral fuels such as synthetic fuels (e-fuels), derived from the combination of hydrogen, electricity, and CO₂ captured from industrial processes.

However, it cannot be denied that the idea to use e-fuels for passenger cars or vans is also concerning, because other transport means like aircraft, which are much more difficult to decarbonise, are in great need to use these CO₂ neutral fuels to reduce their GHG emissions.

It remains to be seen if the EU Member States give their final approval to the law, of if the Member States will reject the phasing-out of internal combustion engines for passenger cars and vans in 2035. The final vote on the legislation, which was planned to take place at the Member States' education ministers meeting on 7 March 2023, has been postponed.

If the EU Member States reject the agreed compromise version of the legislation, the question remains why they agreed to the compromise with the European Parliament in the first place and what led to their change of mind. In Italy, the government changed in November 2022, which explains the change of the Italian government's position. The German government instead insisted on the introduction of the recital on exemptions for vehicles with internal combustion engines if using carbon neutral e-fuels and now this seems to be insufficient.

In the past, the automobile industry has been lobbying the national governments and EU institutions for slowing down the transition towards e-mobility, only for learning later that they nearly lost their competitiveness in the global market as other regions pushed ahead towards e-mobility. Due to this mistake the EU's

automobile industry was jeopardizing its competitiveness and it nearly missed to invest into e-mobility.

Now, some Member States intend to help their automobile industry by rejecting the phasing out of new cars with internal combustion engines by 2035. However, this rejection might only hold the industry back from taking timely investment decisions towards phasing-out those car types. This could play into the hands of the EU's automobile industries' competitors on the world market, rather than helping the EU's automobile industry. It might be again a case of "life punishes those who come too late".

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