



European
Automobile
Manufacturers
Association

ACEA Position Paper Review of the Clean Vehicles Directive



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INTRODUCTION

On 8 November 2017¹, the European Commission put forward various legislative and non-legislative proposals seeking to reduce CO₂ emissions from road transport as part of its Clean Mobility Package. The Commission also took this opportunity to propose a review of Directive 2009/33/EC, the so-called Clean Vehicles Directive (CVD), which aims to increase the share of low- and zero-emission vehicles in contracts tendered by public authorities in the 28 EU member states. The targets that have been proposed for member states in this context are applicable to passenger cars, light commercial vehicles (also known as vans), heavy-duty vehicles and buses; specifying the minimum share of alternatively-powered vehicles in public procurement for each vehicle segment.

This review of the Clean Vehicles Directive should be seen in the context of the Clean Mobility Package's most important legislative initiative, the proposal for future CO₂ targets for passenger cars and vans, as well as the upcoming proposal on CO₂ standards for heavy-duty vehicles. Another key element of the Clean Mobility Package is the proposed introduction of a benchmark system for promoting the uptake of zero- and low-emission vehicles (ZLEV²). To that end, the Commission has proposed an ambition level of 15% ZLEV vehicles for the year 2025 and 30% by 2030. There is a clear link between these ZLEV benchmarks and the proposed CO₂ targets for passenger cars and vans; not only do they follow the same timing – 2025 and 2030 – but the ambition level would also be the same (percentage wise) according to the current proposal.

In line with its assessment of the Commission's Action Plan on Alternative Fuels Infrastructure³, the European Automobile Manufacturers' Association (ACEA) wants to emphasise the fact that, also in the case of the Clean Vehicles Directive review, the European Commission is making an explicit link between a higher market uptake of alternatively-powered vehicles and the feasibility of reaching the future CO₂ targets proposed for cars and vans.

ACEA'S PERSPECTIVE ON THE COMMISSION'S PROPOSAL FOR THE CVD REVIEW

1. For a long time now, ACEA has been underlining the fact that the uptake of alternatively-powered vehicles (APVs) largely depends on the deployment of appropriate recharging and

¹ https://ec.europa.eu/transport/modes/road/news/2017-11-08-driving-clean-mobility_en

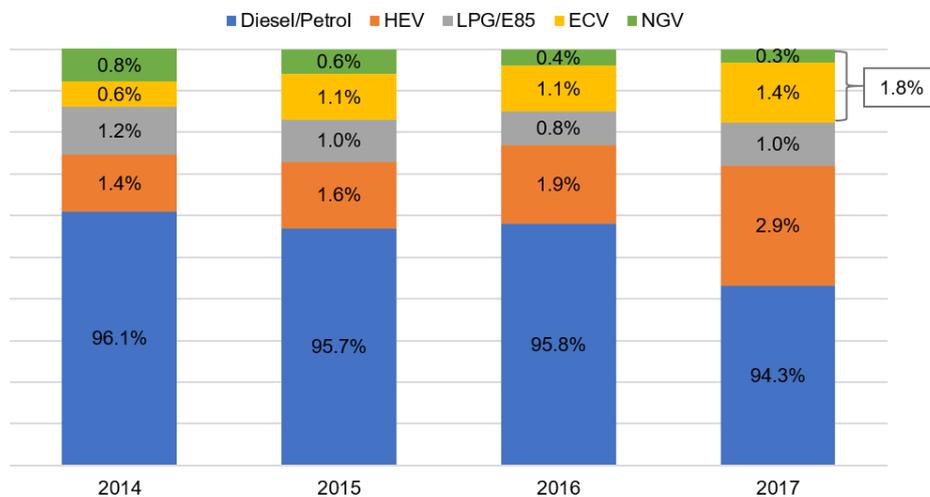
² Defined as vehicles below 50g CO₂/km (under WLTP) according to the Commission's draft proposal.

³ ACEA Position Paper: The European Commission's Action Plan on Alternative Fuels Infrastructure, March 2018, <http://www.acea.be/publications/article/position-paper-the-european-commissions-action-plan-on-alternative-fuels-in>

refuelling infrastructure, as well as the necessary consumer incentives. However, public authorities across the European Union also have a crucial role to play in creating demand for these vehicles. Therefore, ACEA welcomes the Commission’s initiatives stimulating public authorities to become front runners in the procurement of APVs.

2. Despite the automobile industry’s major investments in APVs and ongoing efforts to expand the offer, alternatively-powered vehicles only accounted for about 2% of the EU market in 2017.

NEW PASSENGER CARS IN THE EU BY FUEL TYPE | % SHARE



3. Technology neutrality is key to stimulating innovation, and this principle covers all types of fuels, including synthetic fuels, within the National Policy Frameworks that serve to implement the Directive on Alternative Fuels Infrastructure (DAFI). Likewise, ACEA believes that the technology neutrality principle should also be respected by member states.
4. In addition, ACEA would like to stress the need for a gradual uptake of APVs, in line with growing investment in infrastructure for alternatively-powered vehicles of any kind. The proposed public-procurement targets can only be reached if the appropriate recharging and refuelling infrastructure is in place. Therefore, the targets specified by the CVD should reflect the European Commission’s own progress in the implementation of the Action Plan for Alternative Fuels Infrastructure, which in turn is also a condition for achieving the proposed future CO₂ targets (in Article 14 of its proposal, the European Commission calls for an assessment of the feasibility of the 2030 targets in the year 2024, based on market and infrastructure developments).

5. ACEA acknowledges the financial impact of implementing the Commission's CVD requirements on member states, especially in light of the proposed APV share of publicly-procured vehicles it expects member states to attain (as specified by the Commission in tables 4 and 5 in the annex of the CVD review proposal⁴). Even though this could have a significant impact on the budgets of national governments, ACEA calls on member states not to water down any ambitious proposals supporting the public procurement of alternatively-powered vehicles.

KEY RECOMMENDATIONS

CARS AND VANS

1. We recommend consistency between all the texts of the Clean Mobility Package, paying specific attention to the definitions. As pointed out on the previous page, ACEA strongly believes in the importance of a technology neutral approach. That is why this key principle should also be reflected in the Commission's proposal for the CVD review. To that end, the 2030 definitions for passenger cars and vans (in table 2) should be modified and updated accordingly. ACEA also strongly recommends that these definitions are streamlined with those of the DAFI Directive, which established broader definitions of alternative fuels.
2. In order to lower emissions from road transport in the most effective way, both zero- and low-emission vehicles will be needed. All alternative powertrain technologies should therefore be better rewarded under the Clean Vehicles Directive.
3. The Commission's proposal for reviewing the CVD mentions values based on the Real Driving Emissions (RDE) test; ie table 2 proposes an RDE air pollutant emissions threshold – defined as a percentage of the emission limits – of 80% but does not refer to the RDE conformity factor as a threshold for 2025 and gives no value for 2030 because of the zero-emission definition. Indeed, RDE legislation gives clear definitions of vehicles and thresholds, which are upheld. However, in this context, it is more relevant to compare emissions based on the Euro emission standards than on RDE conformity factors. For that reason, the proposal should not refer to RDE thresholds, but to the Euro emission standards.
4. The proposed review only seeks to stimulate technological progress by setting stricter

⁴ Proposal for a Directive of the European Parliament and of the Council amending Directive 2009/33/EU on the promotion of clean and energy-efficient road transport vehicles, 8 November 2017, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017PC0653>

target values (as specified in table 2 of the proposal). However, the proposed minimum targets for the share of APVs in total public procurement (table 4) should also reflect developments in technology. By contrast, the current proposal specifies exactly the same minimum APV targets for both 2025 and 2030. Given that clean-vehicle technology and infrastructure for alternatively-powered vehicles are still developing, with consumer acceptance growing in parallel, the 2025 minimum target should be lower than the 2030 one.

BUSES AND HEAVY-DUTY VEHICLES

5. For buses and heavy-duty vehicles, the definition of 'clean vehicles' remains unclear and inconsistent, insofar as it includes vehicles running on fossil methane but excludes vehicles driven by renewable synthetic and paraffinic fuels or other bio-based alternative fuels; thus breaching the technology neutrality principle. In this respect, the CVD review proposal is not coherent with other important EU directives, such as Directive 2009/28/EC (RED) and Directive 2014/94/EU (DAFI). The latter, for example, does recognise synthetic and paraffinic fuels as well as biofuels.
6. Table 3 of the Commission's review proposal refers to electric vehicles as being only those in which "electricity is used for a relevant part of the operational use of the vehicle", whereas the DAFI Directive states in Article 2.2 that an electric vehicle is "a motor vehicle equipped with a powertrain containing at least one non-peripheral electric machine as energy converter with an electric rechargeable energy storage system, which can be recharged externally". This discrepancy makes it unclear what vehicles would exactly fall under the proposed definition. Hence, the DAFI definition should be followed.
7. What is more, other alternative powertrains and fuels should be included in the scope of the Clean Vehicles Directive as well, such as plug-in hybrid technology and gas solutions – both ought to be recognised and better rewarded.
8. According to table 3 (focus on alternative fuels requirements for heavy-duty vehicles and buses), the Commission's proposal singles out only bio-methane for heavy-duty vehicles and buses, while other second-generation biofuels based on biomass (as defined in the RED Directive) – like biodiesel (HVO and RME), synthetic fuels or other renewable fuels – are not acknowledged. Vehicles running on bio-methane (compressed or liquefied) would contribute to the targets set for member states, but second-generation biofuels (with similar CO₂-reduction levels) are completely overlooked again. To address this problem, the proposal should be extended to other types of biofuels that deliver similar results,

without setting individual thresholds for those fuels.

9. Technology neutrality should also be better reflected in the targets proposed in table 5, which sets minimum targets for the share of alternatively-powered heavy-duty vehicles in public procurement. Besides a technical mistake (reference in the footnote should be related to table 3 not table 2, as is the case now), the current proposal would only count vehicles with zero tailpipe emissions or vehicles using 100% bio-methane as one (ie 1.0) vehicle contributing to the mandate. All other vehicles that meet the requirements specified in table 2, would be counted as 0.5 vehicle. It is unclear why these other vehicles would be subject to table 2 and the very challenging limits proposed for light-duty vehicles (cars and vans). In practice, this basically would mean that no vehicles, other than fully-electric or hydrogen ones, would qualify.



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ABOUT ACEA

- ACEA represents the 15 Europe-based car, van, truck and bus manufacturers: BMW Group, DAF Trucks, Daimler, Fiat Chrysler Automobiles, Ford of Europe, Honda Motor Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, PSA Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group.
- More information can be found on www.acea.be or [@ACEA_eu](https://twitter.com/ACEA_eu).

ABOUT THE EU AUTOMOBILE INDUSTRY

- 12.6 million people – or 5.7% of the EU employed population – work in the sector.
- The 3.3 million jobs in automotive manufacturing represent almost 11% of EU manufacturing employment.
- Motor vehicles account for almost €396 billion in tax contributions in the EU15.
- The sector is also a key driver of knowledge and innovation, representing Europe's largest private contributor to R&D, with more than €50 billion invested annually.
- The automobile industry generates a trade surplus of about €90 billion for the EU.