EC Public Consultation on the impact assessment on heavy duty vehicles (HDV) CO2 emissions standards

A EURELECTRIC response paper

January 2018
EURELECTRIC is the voice of the electricity industry in Europe.

We speak for more than 3,500 companies in power generation, distribution, and supply.

We Stand For:

Carbon-neutral electricity in Europe well before mid-century

We have committed to making Europe’s electricity cleaner. To deliver, we need to make use of all low-carbon technologies: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in transport and buildings, combined with the development of smart grids and a major push in energy efficiency play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

Competitive electricity for our customers

We support well-functioning, distortion-free energy and carbon markets as the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the full benefits of liberalisation: they ensure the best use of generation resources, improve security of supply, allow full EU-wide competition, and increase customer choice.

Continent-wide electricity through a coherent European approach

Europe’s energy and climate challenges can only be solved by European – or even global – policies, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage effective investment to ensure a sustainable and reliable electricity supply for Europe’s businesses and consumers.

EURELECTRIC. Electricity for Europe.
Impact Assessment on Heavy Duty Vehicles (HDV) CO\(_2\) emission standards

The July 2016 Commission’s strategy for low-emission mobility recalls that mobility is an essential component of the shift to the low-carbon, circular economy needed for Europe to stay competitive and be able to cater to the mobility needs of people and goods. The strategy set the ambition for the transport sector to reduce greenhouse gas emissions at least by 60% compared to 1990 by mid-century and be firmly on the path towards zero. Action on vehicles’ fuel/CO\(_2\) emission performance is one of the key levers to tilt the transport sector in the right direction.

The 2030 climate and energy framework agreed by EU Heads of State and Government in October 2014 requires a 30% reduction in non-ETS sector GHG emissions by 2030 compared to 2005. Road transport represents 1/3 of the non-ETS GHG emissions and heavy-duty vehicles contribute to about 1/4 of road transport emissions and some 5% of total EU GHG emissions.

The May 2014 Strategy Communication on reducing HDV fuel consumption and CO\(_2\) emissions (COM/2014/0285) emphasises the importance of closing the knowledge gap regarding the CO\(_2\) emissions of lorries and buses with a view to improving market transparency.

The July 2016 Strategy for low-emission mobility furthermore announced that there is a need to curb CO\(_2\) emissions from HDVs.

On 11 May 2017 the Technical Committee for Motor Vehicles has approved under type approval legislation a certification procedure for the determination of the CO\(_2\) emissions and fuel consumption of new HDVs, using the results from VECTO simulations, which has been developed by the European Commission since 2010. HDV manufacturers will have to run VECTO at the end of the production line and declare such information at the time of registration as of 2019.

On 31 May 2017, as part of the Europe on the Move set of initiatives, the Commission adopted a proposal for the monitoring and reporting of such HDV CO\(_2\) emissions and fuel consumption. The data collected will be made publicly available by the European Environment Agency, starting in 2020 to cover data monitored in 2019.

This inception impact assessment will look into different options for setting the first EU measures to actively curb CO\(_2\) emissions from HDVs, including CO\(_2\) emission standards.

It should be noted that EU manufacturers account for some 40% of global production. Furthermore, other parts of the world, such as the United States, China, Japan and Canada, have already introduced HDV fuel economy standards, and some European manufacturers participate in these schemes.
For the purposes of the present consultation the term HDV should be understood as including (For the definition of vehicle categories see Directive (EC) 2007/46, Annex II, part A):

- goods vehicles of categories N2 and N3 and
- passenger vehicles of categories M2 and M3 and
- all trailers of categories O3 and O4.

The Commission is carrying out this consultation in order to be properly informed by public opinion in preparation for possible future legislative action in the area of CO₂ emissions from HDVs, the results of which will be published in consolidated form. Parts 1 to 5 of this consultation are intended to be completed by every respondent to the extent possible. Part 6 is mainly intended for experts in the field but of course every respondent may complete it as he wishes.

If data, other information or studies are available which are relevant to the assessment, these can be submitted as part of a stakeholder's general comments or directly to the mail box.

1. General information about respondent

* 1.1. In what capacity are you completing this questionnaire?

   Professional organisation

1.3. If professional organisation

* 1.3.1. Please indicate the sectors your organisation represents

   Other organisation

* If other, please specify:

   Text of 3 to 200 characters will be accepted

   EURELECTRIC is representing the European electricity industry, comprising generators, distributors and retailers of electricity.

* 1.3.2. Where are your member companies located?

   Whole EU

* 1.5. Please give your name if replying as an individual/private person, otherwise give the name of your organisation:

   Text of 3 to 200 characters will be accepted

   EURELECTRIC

1.6. If your organisation is registered in the Transparency Register, please give your Register ID number:

   20 character(s) maximum
If your organisation is not registered, you can register now. Please note that contributions from respondents who choose not to register will be processed as a separate category 'non-registered organisations/business'.

1.7. Please give your country of residence/establishment:

Belgium

1.8. If your organisation is involved in the implementation of the HDV legislation, please indicate its role (e.g. manufacturer, system supplier, technical service,…):

200 character(s) maximum

1.9. Please indicate your preference for the publication of your response on the Commission’s website:

(Please note that regardless of the option chosen, your contribution may be subject to a request for access to documents under Regulation 1049/2001 on public access to European Parliament, Council and Commission documents. In this case the request will be assessed against the conditions set out in the Regulation and in accordance with applicable data protection rules.)

- Under the name given:
  I consent to publication of all information in my contribution and I declare that none of it is subject to copyright restrictions that prevent publication

- Anonymously:
  I consent to publication of all information in my contribution and I declare that none of it is subject to copyright restrictions that prevent publication

Questions

The questions below are based on the initial analysis carried out by the Commission and presented in its Inception Impact Assessment to which you may refer for further background on each specific question. Fuel consumption and CO₂ emissions of Heavy-Duty Vehicles' (HDVs) are treated together as they are strongly correlated and proportional: both would be certified and monitored together.

2. Main problem to address

The following 3 key problems have been identified in the context of the Inception Impact Assessment where more detailed information can be found. In your view, how important are the problems to be addressed?
### 3. The need for EU action

There is a single market for HDVs across the EU. If no EU action was taken to address the problem, Member States might adopt individual approaches to reduce HDV CO\textsubscript{2} emissions, in order to achieve the needed reductions for the non-ETS sector. In your view, what would be likely to happen without EU action?

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<thead>
<tr>
<th>Outcome</th>
<th>Likely</th>
<th>Neutral</th>
<th>Unlikely</th>
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<tbody>
<tr>
<td>Member States would individually implement legislation to reduce HDV CO\textsubscript{2} emissions</td>
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<tr>
<td>Legislation introduced by individual Member States would lead to market fragmentation and higher costs</td>
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<td>Member States would have difficulty to achieve the necessary reductions to meet EU climate goals</td>
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**Are there other potential effects?**

**200 character(s) maximum**

**Without binding standards at EU level, the potential for emission reduction in the HDV sector and the development of alternative fuels in the HDV sector will not be fully realised.**

### 4. Main policy objectives
The following 3 key policy objectives have been identified in the context of the Inception Impact Assessment where more detailed information can be found.

1. Reduce the climate impact of HDVs in line with the requirements of EU climate policy and the 2030 climate and energy framework.
2. Contribute to the improvement of the competitiveness of HDV and component manufacturers (suppliers to HDV manufacturers)
3. Facilitate a reduction in the total cost of ownership for transport operators, most of which are SMEs.

In your view, how important are the following policy objectives?

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<thead>
<tr>
<th></th>
<th>Very important</th>
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<th>Somewhat important</th>
<th>Not important</th>
<th>I don't know</th>
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<tr>
<td>Reduce the climate impact of HDVs</td>
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<td>Contribute to the improvement of the competitiveness of the European HDV and component manufacturers</td>
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<td>Facilitate a reduction in the total cost of ownership for transport operators</td>
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Are there other key objectives to be reached?

200 character(s) maximum

Support the development of alternative drive-trains, like different degrees of electrification of the engines.

5. Form that action should take to reduce HDV CO₂ emissions

Please indicate, by order of importance, your preferred options to reduce new HDVs CO₂ emissions, and contribute to the 2030 Energy and Climate Targets (with 1st being your most preferred option and 7th the least preferred)?

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<tr>
<td>Legislation setting HDV CO₂ emissions targets at EU level</td>
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<td>Use of vehicle or fuel taxes or other incentives by Member States to affect vehicle choice and use</td>
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6. Options to consider for regulating CO₂ emissions of HDV

If CO₂ emissions of HDVs will be regulated by defining binding targets, the following options are considered.

6.1. Options for the basic regulatory approach

- Option A: CO₂ emission standards would be defined for the engines only.
- Option B: CO₂ emission standards for the whole vehicles, to be based on VECTO simulations
- Option C: Separate CO₂ emission standards for engines and complete vehicles

Please indicate the order of your preference (numbers 1, 2, 3) for the different options:

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<td>Other option</td>
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Comments on your choices on options for the basic regulatory approach:

300 character(s) maximum
6.2. Options for the types of targets

- Option A: targets at the level of each individual vehicle; CO₂ emissions would be limited at the level of individual vehicles/engines (i.e. specification of limit values)
- Option B: average targets per vehicle group on the basis of the vehicles placed on the market by each manufacturer (similar approach as for cars and light commercial vehicles)

Please indicate the order of your preference (numbers 1, 2, 3) for the different options:

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<td>Other option</td>
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Comments on your choices on the options for the types of targets:

300 character(s) maximum

6.3. Options for the timing of the targets

- Option A: fixed dates of application
- Option B: annual reduction targets

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<td>Other option</td>
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Comments (please indicate also your suggestions for the first application date of targets as well as the quantitative annual reductions (for option B)):

300 character(s) maximum

We suggest to set the first target date for 2025, and a indicative target for 2030, which can be tightened later on, depending on technological progress.
6.4. Options for the setting of the quantitative targets

- Option A: Targets (initial values and annual reductions, if applicable) are defined ex-ante by the legislation by relative technology improvements over some baseline (as for cars and vans)
- Option B: Targets for the year y + n (n ≥1) are defined by the performance of a certain percentile of best performing vehicles in the year y ("top runner" approach) with a minimum yearly target

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<tr>
<td>Other option</td>
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Comments your choices on options for the setting of the quantitative targets:

Experience from other parts of the World seems to indicate that ex-ante values deliver better (North-American HDV standards).

6.5. Options for the scope of the legislation

VECTO and the underlying type approval legislation will provide certified CO₂ emission values for the four main groups of HDVs (Vehicle groups 4, 5, 9 and 10 as defined in Table 1 of Annex I of the draft Commission Regulation implementing Regulation (EU) No 595/2009 as regards the determination of the CO₂ emissions and fuel consumption of heavy-duty vehicles, which are responsible for about 65% of all HDV CO₂ emissions), which would also be addressed by the first step of regulatory binding targets.

Currently VECTO provides the CO₂ emission values for these trucks only for the long haul and regional delivery mission profiles.

However, there are also a limited (between 2 – 10% (indicative figures to be confirmed in the IA)) number of vocational vehicles in these groups, which serve for special purposes, for instance construction sites or waste collection.

- Option A: the targets are applied to all vehicles within the 4 main vehicle groups, regardless of their use and on the basis of the long haul and regional delivery mission profiles
- Option B: Separate targets are applied to vocational vehicles within the 4 main vehicle groups, on the basis of VECTO urban, municipal and construction mission profiles
- Option C: certain vocational vehicles to be specified are excluded for this first regulatory step

Please indicate the order of your preference (numbers 1, 2, 3) for the different options:
Can you suggest technical criteria for the definition of 'vocational' trucks?

200 character(s) maximum

6.6. Options for the metric for expressing the targets

The CO₂ emission targets will have to be formulated in terms of a certain "metric", meaning that the regulatory target corresponds to CO₂ mass emissions divided by some "transport utility parameter", e.g. mileage travelled (km), mileage travelled times weight (km x t) or volume (km x m³) transported.

- Option A: targets expressed in g CO₂/km,
- Option B: targets expressed in g CO₂/(km x t)
- Option C: targets expressed in g CO₂/(km x m³)
- Option D: targets expressed in a combination of several metrics listed in options A to C
Comments on your choices on options for the metric for expressing the targets:

300 character(s) maximum

A metric expressed in g CO2/km will ensure that savings are realised consistently, also in the case of empty drives.

Would you suggest any other metric for expressing the targets?

200 character(s) maximum

6.7. Options regarding mission profiles

For mainstream HDVs used for the transport of goods, VECTO simulations provide four different CO2 emission values: for a regional delivery and long haul driving pattern, each driven "empty" and a "typically full" payload. Targets may apply to each of these four emission profiles separately or as a weighted average.

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<th>Options</th>
<th>YES</th>
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<th>Neutral</th>
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<tr>
<td>Should all four mission profiles be applied to all HDVs?</td>
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<td>Should the targets be defined for each mission profile separately?</td>
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<td>Should the targets be compared with a weighted average of the mission profiles?</td>
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6.8. Options regarding utility parameters

Any future legislation defining targets aims at achieving a certain level of CO2 savings for the least overall costs while ensuring that the requested transport utility is still available. If the design of a vehicle (e.g. stronger engine or higher transport volume) has an impact on CO2 emissions and the vehicle's utility, it may have to be factored into the applicable target (e.g. by choosing appropriate utility factors and formulas setting the targets as a function of thereof). In the case of cars and vans, mass is used as an utility parameter in the current legislation on CO2 emission standards.

Should utility parameters be used for regulating CO2 emissions from HDVs?

○ YES  ○ NO  ○ Neutral

6.9. Options for elements supporting cost-effective implementation of the targets

Several options can be considered to support the cost-effective implementation of the targets, which may however also create additional administrative burden:
• Pooling: Several manufacturers may decide to combine their vehicle fleets for assessing the compliance with the regulatory targets (as in the case in the cars and vans CO\textsubscript{2} legislation.)
• Banking and borrowing: A manufacturer may compensate non-compliance with targets in a given calendar year by over-achievements in previous ("banking") or future ("borrowing") years according to well defined regulatory rules.
• Trading: a manufacturer over-achieving its targets may sell corresponding credits in order to facilitate compliance of other manufacturers.
• Transfer of credits between vehicle groups of a manufacturer. In the case of targets set at the level of each vehicle group, a manufacturer may transfer credits between the different groups of its vehicles.

What are your views on these options?

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<tr>
<td>Pooling of manufacturers</td>
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<td>Banking and borrowing</td>
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<td>Trading between manufacturers</td>
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<td>Transfer of credits between vehicle</td>
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<td>groups of a manufacturer</td>
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Please provide your comments on these or possible other elements for supporting cost-effective implementation:

500 character(s) maximum

Trading between manufacturers provides flexibility and at the same time encourages over-achievers to continue their efforts.

7. Governance - HDV CO\textsubscript{2} certification and real driving emissions

Under the current process, CO\textsubscript{2} emissions of HDVs are certified on certain pre-defined mission profiles, the design of which is inspired by real driving data.

What are your views:

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<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>Neutral</th>
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<tr>
<td>Will it be important to develop</td>
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<td>processes assessing the certified</td>
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<td>CO\textsubscript{2} emissions against</td>
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<td>real driving emissions of HDVs?</td>
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<td>If such processes are being developed, should there be some ex-post feedback mechanism requiring compliance of the certified CO\textsubscript{2} emissions with real driving emissions (within certain tolerances)?</td>
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</table>
Can you suggest such a process?

8. Additional comments and Upload of Documents

If you wish to add further information, comments or suggestions – within the scope of this questionnaire – please feel free to do so here:

While a lot of attention is being given to GHG emissions from cars and vans, emissions from heavy duty vehicles are equally important. These vehicles represent only 5% of vehicles on European roads, but 25% of GHG emissions from road transport. In this first step CO2 standards for only 4 out of 17 classes of HDVs will be set - it is important to later on also set standards for the remaining vehicle classes. It is crucial that CO2 standards are put in place for these vehicles. Significant emission reductions can be achieved by a combination of action including development of alternative drive-trains, like for example electric engines. EURELECTRIC has published a statement on electrification of heavy duty transport last year, which can be found attached.

In addition, you could also upload a document providing further information, comments or suggestions.

The maximum file size is 1 MB

EURELECTRIC has published a statement on electrification of heavy duty transport last year, which can be found attached.

Contact
Thierry.CABUZEL@ec.europa.eu
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