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#### **NOTE**

From:	Presidency
To:	Council
No. Cion doc.:	10906/21+ ADD 1 - COM(2021) 556 final
Subject:	Fit for 55 package
	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition
	- General approach

# I. <u>INTRODUCTION</u>

1. On 14 July 2021, the <u>Commission</u> submitted to the <u>European Parliament</u> and the <u>Council</u>, within the framework of the Fit for 55 package, a proposal on the revision of the Regulation on the establishment of new CO<sub>2</sub> emissions standards for cars and vans. The proposal aims to contribute to the EU's increased overall level of ambition, thereby stimulating innovation and ensuring that the European automotive industry maintains and strengthens its global competitiveness. This increased level of ambition will, in particular, help Member States to meet their binding national targets under the Effort Sharing Regulation.

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- 2. To this end, the Commission proposes increasing the 2030 EU-wide CO<sub>2</sub> emissions reduction targets for new cars and vans and introducing a 100 % target from 2035 onwards for new passenger cars and vans.
- 3. Furthermore, the Commission proposes removing <u>super-credits</u> for zero- and lowemission vehicles (ZLEV) and the <u>derogation</u> for manufacturers responsible for a small number of registrations from 2030 onwards.
- 4. In the <u>European Parliament</u>, Jan Huitema (Renew, NL) has been appointed as rapporteur for the proposal on behalf of the Committee on the Environment, Public Health and Food Safety (ENVI Committee). The ENVI Committee adopted its report on 11 May 2022, and the Parliament adopted a series of amendments to the Commission proposal at its plenary session on 8 June 2022.
- The <u>European Economic and Social Committee</u> delivered its opinion on 19 January 2022. The <u>Committee of the Regions</u> delivered its opinion at its plenary session on 26-27 January 2022.
- 6. The Environment Council held a policy debate on 20 December 2021.
- 7. At <u>working party level</u>, the French Presidency continued to examine the revision of the Regulation. In the course of this examination, the Presidency presented a compromise text which keeps the Commission proposal as is with regard to the targets for cars, the removal of super-credits for zero- and low-emission vehicles from 2030 onwards and the removal of the derogation for manufacturers responsible for a small number of registrations from 2030 onwards. However, the draft compromise proposes enriching the content of the biannual progress reports on the basis of contributions from delegations.

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- 8. On 13 May 2022, the <u>Permanent Representatives Committee</u> held an exchange of views on the basis of the Presidency compromise text to provide guidance for further work.
- 9. In preparation for the Environment Council meeting on 28 June 2022, at its meeting on 24 June 2022 the <u>Permanent Representatives Committee</u> examined a Presidency compromise text that slightly adjusts the content of the biannual progress reports.

# II. STATE OF PLAY

- 10. Based on these discussions, the Presidency continues to consider that the Commission proposal provides a <u>balanced basis</u> for finding a compromise within the Council as regards the targets for 2030 and 2035 for cars and vans. The Presidency therefore maintains the proposed compromise.
- 11. The compromise text is set out in the annex to this note.

## III. CONCLUSION

12. The <u>Council</u> is invited to resolve the outstanding issues and adopt a general approach on the basis of the text set out in the annex to this note.

This general approach will serve as the Council's mandate for negotiations with the European Parliament in the context of the ordinary legislative procedure.

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## Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition<sup>1</sup>

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>2</sup>,

Having regard to the opinion of the Committee of the Regions<sup>3</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

<sup>1</sup> Changes to the Commission text are <u>underlined</u>, deletions are marked by [...].

<sup>&</sup>lt;sup>2</sup> OJ C, , p. .

<sup>&</sup>lt;sup>3</sup> OJ C, , p. .

- (1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 ('the Paris Agreement'). Its Parties have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels.
- (2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the Communication on the "European Green Deal", adopted by the Commission on 11 December 2019<sup>4</sup>. The necessity and value of the European Green Deal have only grown in light of the very severe effects of the COVID-19 pandemic on the health and economic well-being of the Union's citizens.
- (3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.
- (4) The Union committed to reducing the Union's economy-wide net greenhouse gas emissions by at least 55% by 2030 below 1990 levels in the updated nationally determined contribution submitted to the UNFCCC Secretariat on 17 December 2020.

Commission Communication - The European Green Deal, COM(2019) 640 final of 11 December 2019.

- (5) In Regulation (EU) [--] of the European Parliament and of the Council<sup>5</sup> the Union has enshrined the target of economy-wide climate neutrality by 2050 in legislation. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions after deduction of removals) of at least 55% below 1990 levels by 2030.
- (6) All sectors of the economy are expected to contribute to achieving those emission reductions, including the road transport sector.
- (7) The measures set out in this Regulation are necessary as part of a coherent and consistent framework that is indispensable for achieving the overall objective of the Union to reduce net greenhouse gas emissions.
- (8) In order to achieve a reduction in net greenhouse gas emissions of at least 55 % by 2030 compared to 1990, it is necessary to strengthen the reduction requirements set out in Regulation (EU) 2019/631 of the European Parliament and of the Council<sup>6</sup> for both passenger cars and light commercial vehicles. A clear pathway also needs to be set for further reductions beyond 2030 to contribute to achieving the climate neutrality objective by 2050. Without ambitious action on greenhouse gas emission reductions in road transport, higher emission reductions would be needed in other sectors, including sectors where decarbonisation is more challenging.

Regulation (EU) [.../...] of [...] 2021 of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law), [OJ L, .../....].

Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011 (OJ L 111, 25.4.2019, p. 13).

- (9) The strengthened CO2 emission reduction requirements should incentivise an increasing share of zero-emission vehicles being deployed on the Union market whilst providing benefits to consumers and citizens in terms of air quality and energy savings, as well as ensuring that innovation in the automotive value chain can be maintained. Within the global context, also the EU automotive chain must be a leading actor in the on-going transition towards zero-emission mobility. The strengthened CO2 emission reduction standards are technology neutral in reaching the fleet-wide targets that they set. Different technologies are and remain available to reach the zero-emission fleet wide target. Zero-emission vehicles currently include battery electric vehicles, fuel-cell and other hydrogen powered vehicles, and technological innovations are continuing. Zero and low-emission vehicles, which also include well performing plug-in hybrid electric vehicles, can continue to play a role in the transition pathway.
- (10) Against that background, new strengthened CO2 emission reduction targets should be set for both new passenger cars and new light commercial vehicles for the period 2030 onwards. Those targets should be set at a level that will deliver a strong signal to accelerate the uptake of zero-emission vehicles on the Union market and to stimulate innovation in zero-emission technologies in a cost-efficient way.
- (11) The targets in the revised CO2 performance standards should be accompanied by a European strategy to address the challenges posed by the scale-up of the manufacturing of zero-emission vehicles and associated technologies, as well as the need for up- and re-skilling of workers in the sector and the economic diversification and reconversion of activities. Where appropriate, financial support should be considered at the level of the EU and Member States to crowd in private investment, including via the European Social Fund Plus, the Just Transition Fund, the Innovation Fund, the Recovery and Resilience Facility and other instruments of the Multiannual Financial Framework and the Next Generation EU, in line with State aid rules. The revised environmental and energy state aid rules will enable Member States to support business to decarbonize their production processes and adopt greener technologies in the context of the New Industrial Strategy.

- (12) The updated New Industrial Strategy<sup>7</sup> foresees the co-creation of green and digital transition pathways in partnership with industry, public authorities, social partners and other stakeholders. In this context, a transition pathway should be developed for the mobility ecosystem to accompany the transition of the automotive value chain. The pathway should take particular heed of SMEs in the automotive supply chain, of the consultation of social partners including by Member States, and also build on the European Skills Agenda with initiatives like the Pact for Skills to mobilise the private sector and other stakeholders to upskill and re-skill Europe's workforce in view of the green and digital transitions. The appropriate actions and incentives at European and national level to boost the affordability of zero emission vehicles should also be addressed in the pathway. The progress made on this comprehensive transition pathway for the mobility ecosystem should be monitored every two years as part of a progress report to be submitted by the Commission, looking inter alia at the progress in the deployment of zero-emission vehicles, their price developments, deployment of alternative fuels development and infrastructure roll-out as required under the Alternative Fuels Infrastructure Regulation, the potential of innovative technologies to reach climate neutral mobility, international competitiveness, investments in the automotive value chain, up-skilling and re-skilling of workers and reconversion of activities. The progress report will also build on the two-year progress reports that Member States submit under the Alternative Fuels Infrastructure Regulation. The Commission should consult social partners in the preparation of the progress report, including the results in the social dialogue. Innovations in the automotive supply chain are continuing. Innovative technologies such as the production of electro-fuels with air capture, if further developed, could offer prospects for affordable climate neutral mobility. The Commission should therefore keep track of progress in the state of innovation in the sector as part of its progress report.
- (13) Those EU fleet-wide targets are to be complemented by the necessary roll-out of recharging and refuelling infrastructure as set out in Directive 2014/94/EU of the European Parliament and of the Council<sup>8</sup>.

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Commission Communication - Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery, COM(2021) 350 final of 5 May 2021.

Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307 28.10.2014, p. 1).

- (14) Manufacturers should be provided with sufficient flexibility in adapting their fleets over time in order to manage the transition towards zero-emission vehicles in a cost-efficient manner, and it is therefore appropriate to maintain the approach of decreasing target levels in five-year steps.
- (15) With the stricter EU fleet-wide targets from 2030 onwards, manufacturers will have to deploy significantly more zero-emission vehicles on the Union market. In that context, the incentive mechanism for zero- and low-emission vehicles ('ZLEV') would no longer serve its original purpose and would risk undermining the effectiveness of Regulation (EU) 2019/631. The ZLEV incentive mechanism should therefore be removed as of 2030. Before that date and therefore throughout this decade, the incentive mechanism for ZLEV will continue to support the deployment of vehicles with emissions from zero up to 50 g CO2/km, including battery electric vehicles, fuel-cell electric vehicles using hydrogen and well performing plug-in hybrid electric vehicles. After that date, plug-in hybrid electric vehicles continue to count against the fleet-wide targets that vehicle manufacturers must meet.
- (16) The implementation of the CO2 emission standards is strongly linked to that of the type approval legislation. Following the repeal and replacement of Directive 2007/46/EC of the European Parliament and of the Council<sup>9</sup> on 1 September 2020 by Regulation (EU) 2018/858 of the European Parliament and of the Council<sup>10</sup>, it is appropriate, in order to ensure continued consistency between the two sets of instruments, to further align the definitions and to update references in Regulation (EU) 2019/631 to the type approval framework legislation.

Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (OJ L 263, 9.10.2007, p.1).

Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (OJ L 151, 14.6.2018, p. 1).

- (17) The emission reduction effort required to achieve the EU fleet-wide targets is distributed amongst manufacturers by using a limit value curve based on the average mass of the EU fleet of new vehicles and of the manufacturer's new vehicle fleet. While it is appropriate to maintain this mechanism, it is necessary to prevent that with the stricter EU fleet-wide targets, the specific emission target for a manufacturer would become negative. For that reason, it is necessary to clarify that where such a result occurs, the specific emission target should be set to 0 g CO<sub>2</sub>/km.
- (18) In order to ensure a fair distribution of the reduction effort, the two limit value curves for lighter and heavier light commercial vehicles should be adjusted to reflect the strengthened CO2 reduction targets.
- (19) The values used for the calculation of the specific emission targets and the average specific emissions of a manufacturer are based on data recorded in the type approval documentation and in the certificates of conformity of the vehicles concerned. It is essential for ensuring the effectiveness of the CO2 emission standards that the data used for these purposes is correct. If nevertheless errors are identified in the data, it may not be possible, based on the type approval legislation to correct the type approval documentation or the certificates of conformity that have already been issued, where the data refers to type approvals that have ceased to be valid. In such situations, the Commission should have the power to request that the relevant type approval authorities, or where applicable, manufacturers, issue a statement of correction on the basis of which the values used for determining manufacturers' performance in meeting their targets can be corrected.
- (20) The reporting of data from vehicles of categories M2 (buses) and N2 (medium-sized lorries) falls within the scope of Regulation (EU) 2018/956 of the European Parliament and of the Council<sup>11</sup> and it is therefore appropriate to remove this requirement from Regulation (EU) 2019/631.

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Regulation (EU) 2018/956 of the European Parliament and of the Council of 28 June 2018 on the monitoring and reporting of CO2 emissions from and fuel consumption of new heavy-duty vehicles (OJ L 173, 9.7.2018, p. 1).

- (21) In view of the increased overall greenhouse gas emissions reduction objectives and to avoid potential market distorting effects, the reduction requirements for all manufacturers present in the Union market should be aligned, except for those responsible for less than 1 000 new vehicles registered in a calendar year. Consequently, the possibility for manufacturers responsible for between 1 000 and 10 000 passenger cars or between 1 000 and 22 000 light commercial vehicles newly registered in a calendar year to apply for a derogation from their specific emission targets should cease from 2030 onwards.
- (22) In order to ensure legal clarity and consistency with current practice, it is appropriate to clarify that the adjustments of the M0 and TM0 values should be done by way of amendments to Annex I to Regulation (EU) 2019/631 instead of providing for an act supplementing that Regulation.
- (23) The progress made under Regulation (EU) 2019/631 towards achieving the reduction objectives set for 2030 and beyond should be reviewed in 2026. For this review, all aspects considered in the two yearly reporting should be considered.
- (24) The possibility to assign the revenue from the excess emission premiums to a specific fund or relevant programme has been evaluated as required pursuant to Article 15(5) of Regulation (EU) 2019/631, with the conclusion that this would significantly increase the administrative burden, while not directly benefit the automotive sector in its transition. Revenue from the excess emission premiums is therefore to continue to be considered as revenue for the general budget of the Union in accordance with Article 8(4) of Regulation (EU) 2019/631.

- (25) In order to ensure that the calculation of the specific emission targets for manufacturers responsible for the CO<sub>2</sub> emissions of multi-stage light commercial vehicles can be adjusted to take into account changes in procedure for determining the CO<sub>2</sub> emissions and mass of such vehicles, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending, where necessary, the calculation formulae set out in Part B of Annex I to Regulation (EU) 2019/631. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (26) Regulation (EU) 2019/631 should therefore be amended accordingly,

## HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) 2019/631 is amended as follows:

- (1) Article 1 is amended as follows:
  - (a) paragraph 5 is amended as follows:
    - (i) in point (a), the figure "37,5 %" is replaced by '55 %',
    - (ii) in point (b), the figure "31 %" is replaced by '50 %',
    - (b) the following paragraph 5a is inserted:
      - '5a. From 1 January 2035, the following EU fleet-wide targets shall apply:
      - (a) for the average emissions of the new passenger car fleet, an EU fleet-wide target equal to a 100 % reduction of the target in 2021 determined in accordance with Part A, point 6.1.3, of Annex I;
      - (b) for the average emissions of the new light commercial vehicles fleet, an EU fleetwide target equal to a 100 % reduction of the target in 2021 determined in accordance with Part B, point 6.1.3, of Annex I.

- (c) in paragraph 6, the words "From 1 January 2025," are replaced by 'From 1 January 2025 to 31 December 2029,',
- (d) paragraph 7 is deleted;
- (2) Article 2 is amended as follows:
  - (a) paragraph 1 is amended as follows:
    - (a) in point (a) the reference to 'Annex II to Directive 2007/46/EC' is replaced by 'Article 4(1), point (a)(i), of Regulation (EU) 2018/858',
    - (b) point (b) is replaced by the following:
    - '(b) category N<sub>1</sub> as defined in Article 4(1), point (b)(i), of Regulation (EU) 2018/858 and falling within the scope of Regulation (EC) No 715/2007 ('light commercial vehicles'), which are registered in the Union for the first time and which have not previously been registered outside the Union ('new light commercial vehicles'); in the case of zero-emission vehicles of category N with a reference mass exceeding 2 610 kg or 2 840 kg, as the case may be, they shall, from 1 January 2025, for the purposes of this Regulation and without prejudice to Regulation (EU) 2018/858 and Regulation (EC) No 715/2007, be counted as light commercial vehicles falling within the scope of this Regulation if the excess reference mass is due only to the mass of the energy storage system.',
  - (b) in paragraph 3, the reference to "point 5 of Part A of Annex II to Directive 2007/46/EC" is replaced by a reference to 'Part A, point 5, of Annex I to Regulation (EU) 2018/858';
- (3) in Article 3, paragraph 1 is amended as follows:

emission target shall be 0 g/km.';

- (a) the introductory sentence is replaced by the following:'For the purposes of this Regulation, the definitions in Regulation (EU) 2018/858 shall apply. The following definitions shall also apply:',
- (b) points (b) to (g) and points (i) and (n) are deleted;
- (4) in Article 4(1), the following subparagraph is added:

  'For the purposes of point (c), where the specific emission target determined in accordance with Part A, point 6.3., of Annex I or Part B, point 6.3., of Annex I is negative, the specific

- (5) Article 7 is amended as follows:
  - (a) the following paragraph 6a is inserted:
  - '6a. Where the Commission finds that the provisional data submitted by Member States in accordance with paragraph 2, or the data notified by the manufacturers in accordance with paragraph 5, is based on incorrect data in the type approval documentation or in the certificates of conformity, the Commission shall inform the type approval authority or, where applicable, the manufacturer and request the type approval authority or, where applicable, the manufacturer to issue a statement of correction specifying the corrected data. The statement of correction shall be transmitted to the Commission and the corrected data shall be used to amend the provisional calculations under paragraph 4.',
  - (b) paragraph 11 is deleted;
- (6) in Article 10(2), the first sentence is replaced by the following:
  - 'A derogation applied for under paragraph 1 may be granted from the specific emission targets applicable until and including calendar year 2029.';
- (7) in Article 13(3), the following second sentence is added:
  - 'Where the data in the type approval documentation may not be corrected under Regulation (EU) 2018/858, the responsible type-approval authority shall issue a statement of correction with the corrected data and transmit that statement to the Commission and the parties concerned.';
- (8) in Article 14(2), the words 'supplement this Regulation by establishing the measures referred to in' is replaced by 'amend Annex I as provided for in';
- (9) the following Article 14a is inserted:

#### 'Article 14a

## Progress report

By 31 December 2025, and every two years thereafter, the Commission shall report on the progress towards zero emission road mobility. The report shall in particular monitor and assess the need for possible additional measures to facilitate the transition, including through financial means.

In the reporting, the Commission shall consider all factors that contribute to a cost-efficient progress towards climate neutrality by 2050. This includes:

- the deployment of zero- and low-emission vehicles, <u>in particular in the light commercial</u> <u>vehicles segment</u>, <u>the improvement of the energy efficiency of vehicles</u>, progress in achieving the targets for the roll-out of recharging and refuelling infrastructure as required under the Alternative Fuels Infrastructure Regulation <u>and analysis of the</u> second-hand market in Member States;
- the potential contribution of innovation technologies and sustainable alternative fuels to reach climate neutral mobility; impact on consumers, including on electricity prices, particularly on low and medium income households, progress in social dialogue; the effectiveness of measures to support retraining and upskilling of the automotive workforce as well as aspects to further facilitate an economically viable and socially fair transition towards zero emission road mobility;
- the impact of this amending Regulation on the achievement of the Member States' objectives under Regulation EU/xxxx/xxxx [amended Effort Sharing Regulation] and air quality standards under Directive 2008/50/EC;
- the need for any additional measures, including measures at EU level, that can facilitate

  Member States' transition to zero emission light duty vehicles.;

### (10) Article 15 is amended as follows:

- (a) paragraph 1 is replaced by the following:
- '1. The Commission shall, in 2028, review the effectiveness and impact of this Regulation, building on the two yearly reporting, and submit a report to the European Parliament and to the Council with the result of the review.

The report shall, where appropriate, be accompanied by a proposal for amending this Regulation.'

- (b) paragraphs 2 to 5 are deleted,
- (c) the following paragraph 9 is added:
- '9. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to amend the formulae set out in Part B of Annex I, where such amendments are necessary in order to take into account the procedure for multi-stage N1 vehicles set out in Part A of Annex III.';

- (11) Article 17 is amended as follows:
  - (a) in paragraph 2, the words 'Article 15(8)' are replaced by 'Article 15(8) and (9)';
  - (b) in paragraph 3, the words 'Article 15(8)' are replaced by 'Article 15(8) and (9)';
  - (c) in paragraph 6, the words 'Article 15(8)' are replaced by 'Article 15(8) and (9)';
- (12) Annex I is amended in accordance with the Annex to this Regulation.

## Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

For the Council

The President

The President

### Annex I is amended as follows:

- (1) Part A is amended as follows:
  - (a) in point 6.1, the heading is replaced by the following:
  - 'EU fleet-wide targets for 2025 onwards',
  - (b) in point 6.1.2, the heading is replaced by the following:
  - 'EU fleet-wide target for 2030 to 2034'
  - (c) the following point 6.1.3 is added:
  - '6.1.3 EU fleet-wide target for 2035 onwards

EU fleet-wide target<sub>2035</sub> = EU fleet-wide target<sub>2021</sub>· (1– reduction factor<sub>2035</sub>)

where:

EU fleet-wide target<sub>2021</sub> is as defined in point 6.0;

Reduction factor<sub>2035</sub> is as defined in Article 1(5a), point (a).'

(d) in point 6.2 the heading is replaced by the following:

'Specific emissions reference targets'

- (e) point 6.2.2 is deleted.
- (f) point 6.3 is replaced by the following:
- '6.3 Specific emissions targets for 2025 onwards
- 6.3.1 Specific emissions targets for 2025 to 2029:

Specific emissions target = specific emissions reference target · ZLEV factor

where:

specific emissions reference target is the specific emissions reference target of

 $CO_2$  determined in accordance with point 6.2.1;

ZLEV factor is (1 + y - x), unless this sum is larger than

1,05 or lower than 1,0 in which case the ZLEV

factor shall be set to 1,05 or 1,0, as the case

may be;

where:

y

is the share of zero- and low-emission vehicles in the manufacturer's fleet of new passenger cars calculated as the total number of new zero- and low-emission vehicles, where each of them is counted as ZLEV<sub>specific</sub> in accordance with the following formula, divided by the total number of new passenger cars registered in the relevant calendar year:

$$ZLEV_{specific} = 1 - \left(\frac{specific emissions of CO2 \cdot 0.7}{50}\right)$$

For new passenger cars registered in Member States with a share of zero- and low-emission vehicles in their fleet below 60% of the Union average in the year 2017 and with less than 1 000 new zero- and low-emission vehicles registered in the year 2017\*, ZLEVs<sub>pecific</sub> shall, until and including 2029, be calculated in accordance with the following formula:

$$ZLEV_{specific} = \left(1 - \left(\frac{specific emissions of CO2 \cdot 0.7}{50}\right)\right) \cdot 1.85$$

Where the share of zero- and low-emission vehicles in a Member State's fleet of new passenger cars registered in a year between 2025 and 2028 exceeds 5 %, that Member State shall not be eligible for the application of the multiplier of 1,85 in the subsequent years;

- x is 15 % in the years 2025 to 2029.
- 6.3.2 Specific emissions targets for 2030 to 2034

Specific emissions target = EU fleet-wide target<sub>2030</sub> +  $a_{2030} \cdot (TM-TM_0)$ 

Where,

EU fleet-wide target<sub>2030</sub> is as determined in accordance with point 6.1.2;

$$a_{2030}$$
 is  $\frac{a_{2021} \cdot EU \ fleet-wide \ target_{2030}}{average \ emissions_{2021}}$ 

where,

a<sub>2021</sub> is as defined in point 6.2.1

average emissions<sub>2021</sub> is as defined in point 6.2.1

TM is as defined in point 6.2.1

 $TM_0$  is as defined in point 6.2.1

6.3.3 Specific emissions targets for 2035 onwards

Specific emissions target = EU fleet-wide target<sub>2035</sub> +  $a_{2035}$  · (TM-TM<sub>0</sub>)

Where,

EU fleet-wide target<sub>2035</sub> is as determined in accordance with point 6.1.3;

$$a_{2035} \ \ is \ \frac{a_{2021} \cdot \textit{EU fleet-wide target}_{2035}}{average\ emissions_{2021}}$$

where,

a<sub>2021</sub> is as defined in point 6.2.1

average emissions<sub>2021</sub> is as defined in point 6.2.1

TM is as defined in point 6.2.1

 $TM_0$  is as defined in point 6.2.1

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<sup>\*</sup> The share of zero- and low-emission vehicles in the new passenger car fleet of a Member State in 2017 is calculated as the total number of new zero- and low-emission vehicles registered in 2017 divided by the total number of new passenger cars registered in the same year.';

- (2) Part B is amended as follows:
  - (a) in point 6.1, the heading is replaced by the following:

'The EU fleet-wide targets for 2025 onwards'

(b) in point 6.1.2 the heading is replaced by the following:

'The EU fleet-wide targets for 2030 to 2034'

- (c) the following point 6.1.3 is added:
- '6.1.3 The EU fleet-wide targets for 2035 onwards

EU fleet-wide target<sub>2035</sub> = EU fleet-wide target<sub>2021</sub>· (1– reduction factor<sub>2035</sub>)

where:

EU fleet-wide target<sub>2021</sub> is as defined in point 6.0;

Reduction factor<sub>2035</sub> is as defined in Article 1(5a), point (b).'

- (d) point 6.2.2 is replaced by the following:
- '6.2.2 Specific emissions reference targets for 2030 to 2034

Specific emissions reference target = EU fleet-wide target<sub>2030</sub> +  $\alpha$  · (TM-TM<sub>0</sub>)

Where,

EU fleet-wide target<sub>2030</sub> is as determined in accordance with point 6.1.3;

α is a<sub>2030,L</sub> where the average test mass of a manufacturer's new

light commercial vehicles is equal to or lower than TM<sub>0</sub>, and

a<sub>2030,H</sub> where the average test mass of a manufacturer's new

light commercial vehicles is higher than TM<sub>0</sub>;

where:

$$a_{2030,L}$$
 is  $\frac{a_{2021} \cdot EU \ fleet-wide \ target_{2030}}{Average \ emissions_{2021}}$ 

 $a_{2030,H}$  is  $\frac{a_{2021}.EU\ fleet-wide\ target_{2030}}{EU\ fleet-wide\ target_{2025}}$ 

average emissions<sub>2021</sub> is as defined in point 6.2.1

TM is as defined in point 6.2.1

 $TM_0$  is as defined in point 6.2.1'

- (e) the following point 6.2.3 is added:
- '6.2.3 Specific emissions reference targets for 2035 onwards

Specific emissions reference target = EU fleet-wide target<sub>2035</sub> +  $\alpha$  · (TM-TM<sub>0</sub>)

Where,

EU fleet-wide target<sub>2035</sub> is as determined in accordance with point 6.1.3;

α is a<sub>2035,L</sub> where the average test mass of a manufacturer's new

light commercial vehicles is equal to or lower than TM<sub>0</sub>, and

a<sub>2035,H</sub> where the average test mass of a manufacturer's new

light commercial vehicles is higher than TM<sub>0</sub>;

where:

 $a_{2035,L}is~\frac{a_{2021}\cdot\textit{EU fleet-wide target}_{2035}}{\textit{Average emissions}_{2021}}$ 

a<sub>2035,H</sub> is  $\frac{a_{2021}.EU\ fleet-wide\ target_{2035}}{EU\ fleet-wide\ target_{2025}}$ 

average emissions<sub>2021</sub> is as defined in point 6.2.1

TM is as defined in point 6.2.1

TM<sub>0</sub> is as defined in point 6.2.1

(f) point 6.3.2 is replaced by the following:

'6.3.2 Specific emissions targets for 2030 to 2034

Specific emissions target = specific emissions reference target – ( $\phi_{targets}$  - EU fleet-wide target<sub>2030</sub>)

where:

Specific emissions reference target is the specific emissions reference target for the

manufacturer determined in accordance with point

6.2.2;

ø<sub>targets</sub> is the average, weighted on the number of new light

commercial vehicles of each individual manufacturer,

of all the specific emission reference targets determined in accordance with point 6.2.2;

EU fleet-wide target<sub>2030</sub> is as determined in point 6.1.2.

(g) the following point 6.3.3 is added:

'6.3.3 Specific emissions targets for 2035 onwards

Specific emissions target = specific emissions reference target – ( $\phi_{targets}$  - EU fleet-wide target<sub>2035</sub>)

where:

Specific emissions reference target is the specific emissions reference target for the

manufacturer determined in accordance with point

6.2.3;

commercial vehicles of each individual manufacturer,

of all the specific emission reference targets

determined in accordance with point 6.2.3;

EU fleet-wide target<sub>2035</sub> is as determined in point 6.1.3.'