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CONTRIBUTION

From: To:	General Secretariat of the Council Working Party on the Environment
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Subject:	CO2 in cars: Follow-up of the WPE meeting on 25 February 2026: Comments from a delegation

Following the call for comments on the above set out in WK 3213/26 of 26 February 2026, delegations will find attached comments from IT.

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Preliminary written comments on CO2 standards for cars and vans amending proposal

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- We propose the introduction of the following article to ensure **technological neutrality** and **industrial resilience**:

  "Article 7a – Compliance of vehicles exclusively running on CO_2-neutral fuels:

  "*For the purpose of meeting emission reduction targets, internal combustion engine vehicles shall be deemed equivalent to zero-emission vehicles, provided they operate exclusively on CO_2-neutral fuels*[1]*. Specific type-approval criteria shall be adopted via delegated acts in accordance with Articles 290 and 297 TFEU. Such vehicles shall contribute to fleet reduction targets, thereby strengthening security of supply and industrial resilience without compromising environmental effectiveness*."

- **Small-Volume Manufacturers (Art. 10):** We request that the specific provisions for small-volume manufacturers be extended beyond the current 2035 deadline.
- **Scope Exemptions:** We propose that emissions associated with non-ZEVs dedicated to public safety, rescue, emergency response, and crisis management are excluded from the scope of this Regulation and all associated reporting obligations.
- **General Remark on Vans:** A differentiated approach is essential for the van segment. As the Commission's own impact assessment demonstrates, electrification is lagging behind expectations due to a significant lack of enabling infrastructure and conditions.

Cluster 1 – Scope and definitions

- **Technological Neutrality (Art. 3, point n):** The definition of zero-emission vehicles should be expanded to include those running exclusively on **CO_2-neutral fuels**. This adjustment is essential to ensure a truly technology-neutral regulatory framework.
- **Low-Emission Van Definition (ZLEV):** To reflect the distinct operational needs of the van segment, the **Zero-and-Low Emission Vehicle (ZLEV)** threshold for vans should be set at **80 gCO_2/km** (rather than the 50 gCO_2/km limit for cars). This higher threshold would allow technologies such as plug-in hybrids (PHEV), currently absent in the van market, to contribute effectively to decarbonization targets.
- **Small Series and Individual Approvals:** The scope of the regulation should be broadened to include all zero-emission vans registered as **small series** or **individually approved vehicles**, ensuring they are fully accountable within the manufacturer's fleet emissions profile.

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[1] *Note: CO_2-neutral fuels include all fuels defined by the Renewable Energy Directive (EU) 2018/2001, provided that they meet the sustainability criteria of that Directive and its delegated acts, where the same amount of CO_2 from biomass, ambient air or recycled carbon sources is bound in fuel production as is released during combustion in the use phase. These fuels include renewable and/or synthetic fuels such as biofuel, biogas, biomass fuel, renewable liquid and gaseous transport fuels of non-biological origin (RFNBOs), and recycled carbon fuels (RCFs).*

Cluster 4 – Vehicle labelling

- We urge to suspend discussing the labelling obligations proposed in Article 2(5) for new and used vehicles, pending the establishment of a harmonized Life-Cycle Assessment (LCA) methodology. Such a framework is vital for ***providing technology-neutral information to buyers***. Without it, the current focus on tailpipe emissions leads to ***misleading outcomes***, such as ***assigning identical ratings to electric vehicles with vastly different weights and life-cycle emissions.*** Furthermore, vehicles optimized for sustainable fuels are unfairly penalized under the current system. Finally, we highlight the ***excessive administrative burden*** this places on the supply chain - particularly non-manufacturers - who face significant challenges in managing and verifying the required technical data
- **LCA Methodology (Annex IIIa):** Regarding life-cycle emissions (LCA), we believe this parameter should become mandatory once a stable, harmonized methodology is established, ensuring consistent and reliable information for consumers.
- **"Made in the EU" Parameter:** Assessing the "made in the EU" criterion remains problematic without a clear, operational definition and precise methodological criteria, especially considering the high complexity of automotive value chains.
- **Product Database (Art. 15a(3)):** Greater clarity is required regarding estimated administrative costs and the specific allocation of responsibilities for the initial setup, ongoing management, and long-term maintenance of the product database.
- **Competent Authority (Art. 15b):** A scrutiny reservation is entered concerning the establishment of a new competent authority as proposed in Article 15b.

Cluster 5 – Horizontal and other provisions

- We propose a new recital to affirm the principle of technological neutrality in achieving the Union's climate targets, ensuring that all technologies capable of reducing greenhouse gas emissions contribute to the transition. The proposed text is as follows:

  'A new category of vehicles exclusively running on ***CO_2-neutral fuels*** *should be established. These vehicles shall contribute to emission reduction targets on an equivalent basis to zero-emission vehicles, provided they operate solely on EU-compliant sustainable fuels. This ensures that tailpipe CO_2 emissions are fully offset within the carbon cycle, resulting in an overall emission performance that meets or exceeds the baseline established by* ***battery electric vehicles (BEVs)****.'*

- It is proposed that the five-year review specified in Article 15(1) be brought forward to 2030.

Cluster 2 – 2025 and 2030 targets and compliance

- We propose revising the 2030 and 2035 emission targets for new light commercial vehicles to better reflect current infrastructure constraints and market realities. This review should address persistent challenges in charging point deployment and the fact that market dynamics are currently underperforming against expected trajectories. To ensure these goals remain realistic, the targets for vans should be adjusted to a maximum of **30%** for 2030 and **75%** for 2035."

- **Super-Credits Expansion (Art. 5(1)):** We propose extending the super-credits mechanism to small vehicles running exclusively on ***CO_2-neutral fuels***. This adjustment ensures a technology-neutral approach aligned with greenhouse gas reduction goals.
- **Vans and Small Vans:** The super-credits mechanism should also be introduced for the entire van category, including specific extension to small vans under Article 5(1).
- **Multi-Annual Compliance (Art. 4(1a)):** While we support the principle of multi-annual compliance, we propose extending the reporting period to **five years** for both passenger cars **(2028–2032**) and vans (**2025–2029** and **2030–2034**).
- **Fines and Penalties (Art. 8):** Consistently, the multi-annual compliance framework for calculating excess emission premiums (fines) should also be extended to a five-year period for both cars and vans.

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<u>Cluster 3 – 2035 targets and compliance</u>

- **Emission Compensation (Art. 1(5a) and 4(1)(c)):** We express serious concern regarding the restrictive framework for offsetting residual emissions. By capping compensation at 10% (via fuel and low-carbon steel credits) the proposal undermines technological neutrality. Renewable sustainable fuels are treated as a marginal, ancillary tool rather than a structural decarbonization solution. This rigid 10% cap lacks a clear environmental or technological rationale and threatens to distort industrial investment by creating an unpredictable regulatory landscape.
- **Regulatory Gap and Investment Risk:** Limiting the recognition of sustainable fuels to the post-2035 period creates a dangerous "regulatory gap" between 2025 and 2035. This uncertainty risks freezing the industrial investments necessary for an orderly transition. To ensure a competitive and gradual conversion, we request that the **fuel credits mechanism be brought forward to the entry into force of the Regulation** and that the **3% cap under Article 5a be removed**, deducting renewable fuels used in vehicles running exclusively on CO_2-neutral fuels from 2035.
- **Low-Carbon Steel Credits:** Assessing the "made in the EU" low-carbon steel parameter is currently impossible. A comprehensive evaluation requires a clear operational definition and robust methodological criteria, which are presently missing.
- **Definition of Eligible Fuels (Art. 5a(2)):** We propose aligning the definition of eligible fuels with the **Renewable Energy Directive (EU) 2018/2001**: "*all fuels defined by the Renewable Energy Directive (EU) 2018/2001, provided that they meet the sustainability criteria of that Directive and its delegated acts, where the same amount of CO_2 from biomass, ambient air or recycled carbon sources is bound in fuel production as is released during combustion in the use phase. These fuels include renewable and/or synthetic fuels such as biofuel, biogas, biomass fuel, renewable liquid and gaseous transport fuels of non-biological origin (RFNBOs), and recycled carbon fuels (RCFs).*"