Council of the European Union

Brussels, 10 November 2017
(OR. en)

Interinstitutional File:
2017/0291 (COD)

14183/17
ADD 6

TRANS 461
CODEC 1777
IA 171
MI 806
ENV 915

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	10 November 2017
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2017) 367 final
Subject:	COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT Accompanying the document Proposal for a Directive of the European Parliament and of the Council amending Directive 2009/33/EC on the promotion of clean and energy-efficent road transport vehicles

Delegations will find attached document SWD(2017) 367 final.

Encl.: SWD(2017) 367 final

EUROPEAN
COMMISSION

Brussels, 8.11.2017
SWD(2017) 367 final

COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

Proposal for a Directive of the European Parliament and of the Council

amending Directive 2009/33/EC on the promotion of clean and energy-efficent road transport vehicles

{COM(2017) 653 final} - {SWD(2017) 366 final}

EN EN

Executive Summary Sheet

Impact assessment on the revision of Directive 2009/33/EC

A. Need for action

What is the problem and why is it a problem at EU level?

The Clean Vehicles Directive delivers only marginally on its main objective, namely to stimulate public procurement of clean (low- and zero-emission and other alternative fuels) vehicles. Subsequently, its impact on market uptake of vehicles, on reduction of CO_2 and air pollutant emissions from publicly procured vehicles and on growth and competitiveness of the sector is limited. The problem is due to the limited scope of the Directive, unclear provisions on vehicle purchases and a limited use of an overall complex monetisation methodology.

What should be achieved?

The main policy objective is to contribute to the sustainability and competitiveness of road transport, through increased public procurement of clean (low- and zero-emission other alternative fuels) vehicles. Public procurement will effectively support clean vehicle market uptake and CO_2 and air pollutant emission reductions, while preserving growth and competitiveness in the transport sector. This initiative seeks to extend the scope of this Directive and to simplify its implementation, while creating long-term market demand certainty.

What is the value added of action at the EU level (subsidiarity)?

The 2017 State of the Union address notes a priority action of making the EU a world leader on decarbonisation. Markets in the EU are still struggling with demand. This initiative creates a demand-side stimulus leading to increased market uptake of clean light- and heavy-duty vehicles. It supplements the post-2020 CO_2 emission performance standards for cars and vans in a package approach and It sets an additional incentive for low- and zero-emission heavy-duty vehicles, where CO_2 emissions are currently not being addressed.

This initiative provides long-term policy orientation and supports the strategic alignment of public procurement. Security about long-term demand will stimulate market investment and vehicle cost reduction, enabling better policy action by local and regional authorities. Measures are proportionate and do not intervene in the principal responsibility of organisation of (public) transport, while leaving flexibility and discretion to public authorities in Member States for the implementation. The revision extends market impetus from more advanced Member States markets to those with nascent markets and helps building a European-wide market approach that cannot be achieved by Member States alone. Medium and long-term benefits for European citizens are considerable.

B. Solutions

What are the various options to achieve the objectives? Is there a preferred option or not? If not, why?

Policy options (PO) differ by the level of ambition and intervention.

PO1 assesses the repeal of the Clean Vehicles Directive. The main policy objectives for this initiative are meant to be addressed through domestic policy action and voluntary action at European level.

PO2 includes a common definition of clean vehicles and a revised methodology to monetise energy and environmental impacts of vehicles. Member States are required to choose: either they transpose the definition in their law. In this case they are requested to set up a national policy framework that states an ambition level by 2030. Or they transpose the monetisation methodology, which has to be followed by all public bodies.

PO3, with two variants (low and high ambition), extends the scope of the Clean Vehicle Directive to vehicles rented, leased, hire-purchased and to specific transport services contracts. It introduces a clean vehicles definition based on an emissions threshold approach (CO_2 and air pollution tailpipe emissions) for light-duty vehicles and sets related minimum procurement targets at Member State level. It also establishes a common reporting and monitoring scheme.

PO4, with two variants (low and high ambition), extends the scope of the Directive as PO3 but introduces a clean vehicles definiton based on an alternative fuels approach (battery- and fuel-cell electric, natural gas, plug-in hybrids) for all light-duty and heavy-duty vehicles and sets related minimum procurement targets at Member State level. Both PO3 and PO4 remove the monetisation methodology.

PO5 is the most far-reaching option. The current Directive is replaced by a Regulation that prescribes the methodology for monetising energy and environmental impacts of vehicles. This option would be most effective in reaching the objectives, but it entails the highest costs and introduces a high level of intervention.

PO6 extends the scope of the Clean Vehicle Directive to vehicles rented, leased, hire-purchased and to specific transport services contracts. It introduces a clean vehicles definition which combines an emissions threshold approach (CO_2 and air pollution tailpipe emissions) for light-duty vehicles with an alternative fuels defintion base for heavy-duty vehicles and sets related minimum procurement targets at Member State level. It enables future adaptation of Direcitve requirements for havy-duty vehicles when related CO2-emission requiremnts for these vehicles have beens et at EU level. It also establishes a common reporting and monitoring scheme.

What are different stakeholders' views? Who supports which option?

PO1 has not been supported by stakeholders. For PO2, the value added of a clean vehicle definiton was acknowledged, but common doubts were expressed on how to ensure coherence and ambition in national policy frameworks. A majority of public and private stakeholders (cities, operators, manufacturers) supported the introduction of a clean vehicle definiton, with different preferences for emission-based or fuels-based approaches. Car manufacturers called for an ambitious minimum procurement target for alternative fuels vehicles. Public authorities' representatives majorily supported an emission-based approach; and minimum targets only if these were not set at the level of cities. Transport operators maintained a similar view. Shortcomings for heavy-duty vehicles were noted. There was a clear majority view that the revision should remove the monetisation methodology. PO5 was rejected by most stakeholders.

C. Impacts of the preferred option

What are the benefits of the preferred option (if any, otherwise of main ones)?

PO6 as the preferred option is expected to reduce CO_2, NO_x and particulate matter (PM10) emissions and to reduce environmental cost related to CO_2 and air pollution emissions (€ 2.2 billion, lifetime of the vehicles procured in 2020-2035). It is estimated to allow for 6,700 additional jobs to be created over the time period 2020-203 and to increase industry revenue by €4.2 billion over the time period of 2020-2035.

What are the costs of the preferred option (if any, otherwise of main ones)?

The net cost savings for PO6 are estimated at around €4.2 billion relative to the baseline during 2020-2035, indicating wider socio-economic (increase of revenue for companies, job creation) and environmental benefits (benefits related to reduction of CO_2 and air pollutants).

What are the impacts on SMEs and competitiveness?

For light-duty vehicles, impacts on SMEs and competitiveness are moderate, given the overall low share of publicly procured vehicles in vehicle market transactions. Rental and lease companies will have to adapt their fleets, which will be facilitated by accelerating cost reductions in vehicle markets. Cost are expected to be passed on to clients, with positive impacts on operational cost. In the heavy-duty sector, SME manufacturers of low and zero-emission vehicles will profit, whereas SME suppliers of conventional vehicles will have to adapt. Clear and predictable long-term market demand for buses will support competitivneess of the sector. Increased investment in recharging and refuelling infrastructure and electricity grids would have a positive growth impact.

Will there be significant impacts on national budgets and administrations?

Additional procurement costs are assumed to amount to €2.2 billion over the time period 2020-2035. Slight administrative costs savings of €2.4 million are estimated over the full assessment period (until 2035).

Will there be other significant impacts?

No other significant impacts were identified through this IA. The IA identified that impacts on tax revenues can vary at Member State level, given different fuel and energy taxes.

Proportionality?

Public procurement procedures are strategically aligned. The initiative leaves flexibility to Member States and public bodies to adapt the minimum requirements to domestic conditions. Measures proposed do not intervene into Member State competence to organise transport provision. They concern a share of public procurement, not its totality; they leave the technological choice. Minimum requirements are differentiated among Member States.

D. Follow up

When will the policy be reviewed?

The Commission will evaluate the new legislation in 2027.