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NOTE

From:	General Secretariat of the Council		
То:	Council		
No. prev. doc.:	14874/18		
Subject:	Proposal for a Regulation of the European Parliament and of the Council setting CO ₂ emission performance standards for new heavy-duty vehicles		
	- General approach		

I. INTRODUCTION

 The <u>Commission</u> adopted its proposal on 17 May 2018. The proposed Regulation aims to set CO₂ emission performance standards for new heavy-duty vehicles and thereby to help Member States achieve their emission reduction targets under Regulation (EU) 2018/842 (the "Effort Sharing Regulation"), which concerns emissions from sectors outside the scope of the EU emissions trading system.

- 2. The proposed Regulation sets an overall CO₂ emission reduction target for the EU's fleet of new heavy-duty vehicles of 15% from 2025 onwards compared to 2019 emission levels and an aspirational reduction target of at least 30% from 2030 onwards. According to the proposal, the final target from 2030 onwards will be confirmed pursuant to a review to be carried out in 2022. It suggests furthermore that, as part of the review, the scope of the standards should be extended to smaller trucks, buses, coaches and trailers. Vocational vehicles, such as construction lorries, garbage lorries, and concrete mixers are exempted from the CO₂ targets.
- 3. To provide incentives for the development and deployment on the EU market of zero- and low-emission vehicles (ZLEVs) that would not yet be subject to CO₂ emission targets under the proposed Regulation, it proposes a system of "super credits" whereby such vehicles would be counted as more than one vehicle when calculating the specific emissions of a manufacturer. The super credits would be subject to pre-defined caps in order to avoid a weakening of the environmental objectives of the Regulation.
- 4. In order to promote cost-effective implementation, the proposal provides for banking and borrowing of CO₂ credits. A financial penalty, in the form of an excess emissions premium, is foreseen in case of non-compliance with the CO₂ targets. In addition, the proposal provides for measures to ensure the availability of robust and representative data from manufacturers on CO₂ emissions and fuel consumption.
- On 9 October 2018, the <u>Council</u> (Environment) held a policy debate on two key issues of the proposal: the proposed targets and the suggested incentive system for zero- and low-emission vehicles.
- The <u>European Parliament</u> voted its amendments to the Commission proposal in plenary on 14 November 2018 (with 373 votes in favour, 285 votes against, 16 abstentions).
- Following detailed discussion of the proposal at technical level, on 7 December 2018 the <u>Permanent Representatives Committee</u> (Coreper) examined the proposal on the basis of a Presidency compromise¹.

¹ doc. 14874/18

8. On the basis of the discussion at Coreper, the <u>Presidency</u> has prepared a slightly adjusted compromise text as a basis for the discussion at the Council (<u>Environment</u>) on 20 December, which is aimed at reaching a general approach on the proposal. The revised Presidency compromise is set out in the <u>Annex</u> to this note.

II. STATE OF PLAY

- 9. The main outstanding issues of the proposal relate to the targets for 2025 and 2030 and the incentives for ZLEVs.
 - On the targets, the delegations' positions are split between those who support the targets as proposed by the Presidency, which follows the approach of the initial Commission proposal, and those who call for more ambitious targets. In particular, <u>a number of delegations</u> suggest that the target for 2030 should be set at a level of 30% or higher, and that it should be binding and could only be revised upwards in the review in 2022. A <u>few delegations</u> are also in favour of raising the proposed target for 2025 to 20%.
 - As concerns the choice of incentive system for the development and deployment of ZLEVs, at the request of a <u>large number of delegations</u>, the Presidency had decided to exclude buses and coaches from the incentive system in the compromise text submitted to Coreper. <u>A few delegations</u> are opposed to their exclusion. In addition, <u>some</u> <u>delegations</u> suggest to replace the super credit system from 2025 onwards by a system based on benchmarks for annual sales of ZLEVs capped at 3%. <u>Some other delegations</u> have expressed support with the current Presidency compromise proposal whereby the introduction of a benchmark system from 2025 onwards would be considered as part of the review.
- 10. At Coreper, <u>a number of other delegations</u> supported a reintroduction of a reference to longer and heavier vehicle combinations, i.e. Modular Concepts (EMS). Other suggestions, which gained <u>some support</u> in Coreper, include the following: reducing the level of the penalties applicable during the period until 2025; considering in the review also synthetic and alternative fuels in the context of the incentive system; and replacing the currently proposed definition of low-emission vehicles by a sub-group specific threshold which takes into account the group specific emissions.

Following the discussion at Coreper, the <u>Presidency</u> has maintained the changes suggested in the previous compromise proposal but proposes an addition to recital 34 on the review referring to modular and intermodal concepts.²

III. <u>CONCLUSIONS</u>

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

The general approach will constitute the Council's mandate for negotiations with the European Parliament in the context of the Ordinary Legislative Procedure.

² In addition, some changes of a technical nature have been made.

ANNEX

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

setting CO₂ emission performance standards for new heavy-duty vehicles <u>and amending</u> <u>Regulation (EC) No 595/2009</u>

(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 Committee³,

Having regard to the opinion of the Committee of the Regions⁴,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The <u>Commission's Communication: "A</u> European Strategy for Low-Emission Mobility<u>"</u> sets a clear ambition: by mid-century, greenhouse gas emissions from transport will need to be at least 60% lower than in 1990 and be firmly on the path towards zero. Emissions of air pollutants from transport that harm our health need also to be drastically reduced without delay.

³ OJ C , , p. .

⁴ OJ C , , p. .

- (2) Following <u>that Communication</u>, the Commission adopted two mobility packages in May⁵ and November 2017⁶. These packages set out a positive agenda <u>also aimed at ensuring a</u> smooth transition towards clean, competitive and connected mobility for all.
- (3) This Regulation is part of the third <u>mobility package of the Commission entitled</u> "Europe on the Move", which is a follow up to the <u>Commission's Communication:</u> "Investing in a <u>smart, innovative and sustainable Industry: A renewed EU Industrial Policy Strategy</u>"⁷, and is designed to complete the process of enabling the Union to reap the full benefits of the modernisation and decarbonisation of mobility. The aim of th<u>is third mobility p</u>ackage is to make European mobility safer and more accessible, European industry more competitive, European jobs more secure, and the mobility system to be cleaner and better adapted to the imperative of tackling climate change. This will require the full commitment of the Union, Member States and stakeholders, not least in strengthening efforts to reduce CO₂ emissions and air pollution.
- (4) This Regulation provides, together with the CO₂ emission standards for passenger cars and light commercial vehicles⁸, a clear pathway for CO₂ emissions reductions from the road transport sector and contributes to the binding target of at least a 40% domestic reduction in economy-wide greenhouse gas emissions by 2030 compared to 1990, as was endorsed in the Conclusions of the European Council of 23-24 October 2014, and approved <u>by the Council on 6 March 2015</u> as the Union Intended Nationally Determined Contribution under the Paris Agreement [...].

⁵ Europe on the Move: An agenda for a socially fair transition towards clean, competitive and connected mobility for all, COM(2017) 283 final.

⁶ Delivering on low-emission mobility A European Union that protects the planet, empowers its consumers and defends its industry and workers, COM(2017) 675 final.

⁷ Investing in a smart, innovative and sustainable Industry A renewed EU Industrial Policy Strategy, COM(2017) 0479 final.

⁸ Regulation (EU) No .../... of the European Parliament and of the Council setting emission performance standards for new passenger cars and for light commercial vehicles as part of the Union's integrated approach to reduce CO₂ emission from light duty vehicles and amending Regulation (EC) No 715/2007, (OJ L, ..., p.).

- (5) The European Council Conclusions of October 2014 endorsed a greenhouse gas emissions reduction of 30% by 2030 compared to 2005 for the sectors that are not part of the Union's emissions trading system. Road transport provides a major contribution to the emissions of those sectors and its emissions remain significantly above 1990 levels. If road transport emissions would increase further, it will off-set reductions made by other sectors to combat climate change.
- (6) The European Council Conclusions of October 2014 highlighted the importance of reducing greenhouse gas emissions and risks related to fossil fuel dependency in the transport sector through a comprehensive and technology neutral approach for the promotion of emissions reduction and energy efficiency in transport, for electric transportation and for renewable energy sources in transport also after 2020.
- (7) Energy efficiency contributing to moderation of demand is one of the five mutuallyreinforcing and closely interrelated dimensions <u>set out in</u> the <u>Commission's</u> <u>Communication on "The</u> Energy Union Strategy"⁹ <u>which aims</u> to give consumers in the Union secure, sustainable, competitive and affordable energy. The <u>Communication</u> states that, while all economic sectors must take steps to increase the efficiency of their energy consumption, transport has a huge energy efficiency potential [...].
- (8) CO₂ emissions from heavy-duty vehicles, including lorries, buses and coaches, represent around 6% of total CO₂ emissions in the Union and about 25% of total road transport CO₂ emissions. Without further action taken, the share of emissions from heavy-duty vehicles is expected to grow by around 9% between 2010 and 2030. Currently, Union law does not set any CO₂ reduction requirements for heavy-duty vehicles.

⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy (COM(2015) 80 final).

- (9) In order to fully realise the energy efficiency potential and ensure that the road transport sector as a whole contributes to the greenhouse gas emission reductions agreed, it is appropriate to complement the already existing CO₂ emission standards for new passenger cars and light commercial vehicles by setting CO₂ emission performance standards for new heavy-duty vehicles. These standards will be a driver for innovation in fuel-efficient technologies, contributing to the strengthening of the technological leadership of the Union's manufacturers and suppliers.
- (10) Taking into account that climate change is a trans-boundary problem and the need to safeguard a well-functioning single market both for road transport services as well as for heavy-duty vehicles, it is appropriate to set CO₂ emission standards for heavy-duty vehicles at Union-level. Those standards should be [...] without prejudice to competition law.
- (11) In defining the reduction levels that should be achieved by the Union's fleet of heavy-duty vehicles, account should be taken of the effectiveness of those reduction levels in delivering a cost-effective contribution to reducing emissions of the sectors covered by [...] Regulation [...] (EU) No 2018/842¹⁰ by 2030, of the resulting costs and savings for society, manufacturers, transport operators, consumers, as well as of their direct and indirect implications for employment, innovation and co-benefits generated in terms of reduced air pollution and improved energy security.

¹⁰ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013, OJ L 156, 19.6.2018, p. 26–42.

- (12) A new procedure for determining the CO₂ emissions and fuel consumption of individual heavy-duty vehicles has been introduced as part of the implementation of Regulation (EC) No 595/2009¹¹. Commission Regulation (EU) 2017/2400¹² provides a methodology, based on the VECTO tool, through which the CO₂ emissions and fuel consumption of whole heavy-duty vehicles can be simulated. The methodology allows taking into account the diversity of the heavy-duty vehicle sector and the high degree of customisation of individual vehicles. In a first step, from 1 July 2019, the CO₂ emissions are determined for four groups of heavy-duty vehicles that account for around 65% to 70% of all CO₂ emissions from the Union's fleet of heavy-duty vehicles.
- (13) In the light of innovation and to take account of the implementation of new technologies improving the fuel efficiency of heavy-duty vehicles, the VECTO simulation tool as well as Regulation (EU) 2017/2400 will be continuously and timely updated.
- (14) The CO₂ emissions data determined pursuant to Regulation (EU) 2017/2400 are to be monitored under Regulation (EU) 2018/956 of the European Parliament and of the Council¹³. Those data should form the basis for determining the reduction targets to be achieved by the four groups of the most emitting heavy-duty vehicles in the Union, as well as for determining a manufacturer's average specific emissions in a given reporting period.

Regulation (EC) No 595/2009 of the European Parliament and of the Council of 18 June 2009 on type-approval of motor vehicles and engines with respect to emissions from heavy-duty vehicles (Euro VI) and on access to vehicle repair and maintenance information and amending Regulation (EC) No 715/2007 and Directive 2007/46/EC and repealing Directives 80/1269/EEC, 2005/55/EC and 2005/78/EC

¹² Commission Regulation (EU) 2017/2400 of 12 December 2017 implementing Regulation (EC) No 595/2009 of the European Parliament and of the Council as regards the determination of the CO2 emissions and fuel consumption of heavy-duty vehicles and amending Directive 2007/46/EC of the European Parliament and of the Council and Commission Regulation (EU) No 582/2011, OJ L 349, 29.12.2017, p. 1.

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

- (15) A reduction target should be set for 2025 as a relative reduction based on the average CO₂ emissions of those heavy-duty vehicles that were newly registered in the period from 1 July 2019 to 30 June 2020, reflecting the deployment of readily available cost-effective technologies for conventional vehicles. The 30% reduction target for 2030 [...] should be considered aspirational and the final target for 2030 onwards should be confirmed pursuant to a review to be carried out in 2022 as there are more uncertainties on the uptake of more advanced technologies which are not yet readily available. Where an increased target for 2030 onwards is not confirmed, the reduction target set for 2025 onwards should continue to apply.
- (15a) To ensure the robustness of the reference CO₂ emissions against increasing vehicle CO₂ emissions by undue procedural means, which would not be representative for a situation where CO₂ emissions are already regulated, it is appropriate to provide a methodology for correcting the reference emissions where necessary.
- (16) Liquefied natural gas (LNG) is an available alternative fuel to diesel for heavy duty vehicles. The deployment of current and upcoming more innovative LNG-based technologies will contribute to meeting the CO₂ emission targets in the short and medium term as the use of LNG technologies leads to lower CO₂ emissions as compared to diesel vehicles. The CO₂ emission reduction potential of LNG vehicles is already fully reflected in VECTO. In addition, current LNG technologies ensure a low level of air pollutant emissions such as NOx and particulate matters. A sufficient minimum refuelling infrastructure is also in place and being further deployed as part of national policy frameworks for alternative fuel infrastructure.
- (17) In calculating the [...] reference emissions serving as basis for determining the 2025 and 2030 reduction targets, the expected reduction potential of the heavy-duty fleet [...] should be taken into account. It is therefore appropriate to exclude from that calculation, vocational vehicles such as vehicles used for garbage collection or construction works. Those vehicles have a comparatively low mileage, and due to their specific driving pattern, technical measures for reducing CO₂ emissions and fuel consumption do not appear to be cost effective in the same way as for heavy-duty vehicles used for the delivery of goods.

- (18) The CO₂ reduction requirements should be expressed in grams of CO₂ per tonne kilometre to reflect the utility of the heavy-duty vehicles.
- (19) A fair distribution of the overall reduction requirements among the manufacturers needs to be ensured, taking into account the diversity of heavy-duty vehicles in terms of their design and driving pattern, annual mileage, payload and trailer configuration. It is therefore appropriate to distinguish the heavy-duty vehicles according to different and separate vehicle sub-groups that reflect the vehicles' typical usage pattern and specific technical characteristics. By setting annual manufacturer specific targets as a weighted average of the targets defined for each such sub-group, manufacturers are also given the means to effectively balance a possible underperformance of vehicles in certain sub-groups with an overachievement in other vehicle sub-groups, taking into account the average lifetime CO₂ emissions of vehicles in the different sub-groups.
- (20) A manufacturer's compliance with its annual specific targets should be assessed on the basis of its average CO₂ emissions. In determining the average specific emissions, the specificities that are reflected in the different vehicle sub-group targets should also be considered. As a consequence, the average specific CO₂ emissions of a manufacturer should be based on the average emissions determined for each sub-group including a weighting based on their assumed average annual mileage and average payload, which reflects the total lifetime CO₂ emissions. Due to the limited reduction potential of vocational vehicles, those vehicles should not be taken into account for the calculation of the average specific emissions.

- (21) Contrary to cars and vans, zero- and low-emission heavy-duty vehicles are not yet available on the market, except for buses. A dedicated mechanism, in the form of super credits, should therefore be introduced to facilitate a smooth transition towards zeroemission mobility. This will provide incentives for the development and deployment on the Union market of zero- and low-emission heavy-duty vehicles that would complement demand-side instruments, such as the Clean Vehicle Directive 2009/33/EC of the European Parliament and of the Council¹⁴.
- (22) For the purpose of calculating the average specific emissions of a manufacturer, all zeroand low-emission heavy-duty vehicles should therefore be counted multiple times, which will result in a reduction in the average specific emissions of that manufacturer. The level of incentives should vary according to the actual CO₂ emissions of the vehicle. In order to avoid a weakening of the environmental objectives, the resulting reduction should be subject to a cap.
- (23) Low-emission heavy-duty vehicles should only be incentivised if their CO₂ emissions are less than about half of the CO₂ emissions of the Union fleet-wide average in 2025. This is consistent with the approach taken for light-duty vehicles and would incentivise innovation in this field
- (24) In designing the incentive mechanism for the deployment of zero-emission heavy-duty vehicles also smaller lorries [...] that are not subject to the CO₂ emission targets under this Regulation should be included. These vehicles also have significant benefits in terms of helping to address air pollution problems in cities. [...] In order to ensure that the incentives are well balanced between the different types of vehicles, the <u>reduction in the average specific emissions of a manufacturer</u> resulting from the zero-emission smaller lorries [...] should therefore also be subject to a cap.

¹⁴ Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles as amended by Directive .../.../EU [COM(2017) 653 final] (OJ L 120, 15.5.2009, p. 5).

- (25) In order to promote a cost-effective implementation of the CO₂ reduction requirements, while taking into account fluctuations in the fleet composition and emissions over the years, manufacturers should have the possibility to balance their overachievement in complying with their specific emission target in one year with an underperformance in another year.
- (26) In order to incentivise early reduction achievements, a manufacturer, whose average specific emissions are below the emission reduction trajectory defined by the reference emissions [...] and the 2025 target, should be able to bank those emission credits for the purpose of target compliance in 2025. Similarly, a manufacturer, whose average specific emissions are below the emission reduction trajectory between the 2025 target and the target applicable from 2030 onwards, should be able to bank those emission credits for the purpose of target compliance in the period from 1 July 2025 to 30 June 2030.
- (27) In case of non-compliance with its specific emission target in any of the <u>12-month periods</u> <u>starting from 1 July</u> 2025 to <u>30 June</u> 20<u>30</u>, a manufacturer should also have the possibility to acquire a limited emission debt. However, by <u>30 June</u> 20<u>30</u> manufacturers should clear any remaining emission debt.
- (28) Emission credits and debts should be considered only for the purpose of determining a manufacturer's compliance with its specific emission target and not as assets that are transferrable or subject to fiscal measures.
- (29) The Commission should impose a financial penalty, in the form of an excess emissions premium, where a manufacturer is found to have excess emissions, taking into account the emission credits and debts. In order to provide manufacturers with a sufficient incentive to take measures to reduce the specific CO₂ emissions from heavy-duty vehicles, the premium should exceed the average marginal costs of the technologies needed to meet the targets. The premium should be considered as revenue for the general budget of the Union. The methodology for collecting the premiums should be determined by means of an implementing act, taking into account the methodology adopted pursuant to Regulation (EC) No 443/2009.

- (30) A robust compliance mechanism is necessary in order to ensure that the targets under this Regulation are met. The obligations placed on manufacturers to deliver accurate data pursuant to Regulation (EU) <u>2018/956</u> and the administrative fines that may be imposed in the case of non-compliance with that obligation, contributes to ensuring the robustness of the data used for target compliance purposes under this Regulation.
- (31) It is essential for achieving the CO₂ reductions pursuant to this Regulation that the CO₂ emissions of heavy-duty vehicles in use are in conformity with the values determined pursuant to Regulation (EC) No 595/2009 and its implementing measures. It should therefore be possible for the Commission to take into account, in the calculation of the average specific emissions of a manufacturer, any systematic non-conformity found by type approval authorities with regard to the CO₂ emissions of heavy-duty vehicles in use.
- (32) In order to be in a position to take such measures the Commission should have the powers to prepare and implement a procedure for verifying the in-service conformity of the CO₂ emissions of heavy-duty vehicles on the market. For that purpose Regulation (EC) No 595/2009 should be amended.
- (33) The effectiveness of the targets set out in this Regulation in reducing CO₂ emissions is strongly dependent on the representativeness of the methodology used for determining the CO₂ emissions. In line with the Opinion of the Scientific Advice Mechanism (SAM)¹⁵ as regards light duty vehicles, it is appropriate also in the case of heavy-duty vehicles to put in place a mechanism to assess the real-world representativeness of the CO₂ emissions and energy consumption values determined pursuant to Regulation (EU) 2017/2400. The Commission should have the powers to ensure the public availability of such data and, where necessary, develop the procedures needed for identifying and collecting the data required for such assessments.

¹⁵ High Level Group of Scientific Advisors, Scientific Opinion 1/2016 "Closing the gap between light-duty vehicle real-world CO2 emissions and laboratory testing"

- (34) In 2022, the Commission should assess the effectiveness of the CO₂ emission standards laid down in this Regulation and in particular the level of the reductions to be achieved by 2030, the modalities that should be available for achieving that target and beyond, as well as the setting of CO₂ reduction targets to other types of heavy-duty vehicles such as smaller lorries, buses, coaches and trailers. That assessment should also include, strictly for the purpose of this Regulation, considerations of heavy-duty vehicles and vehicle combinations taking into account [...] weights and dimensions applicable to national transport, for example modular and intermodal concepts, while also assessing possible transport safety and efficiency aspects, intermodal, environmental, infrastructural and rebound effects as well as the geographical situation of Member States.
- (35) In order to ensure that the specific CO₂ emissions of heavy-duty vehicles remain representative and fully up-to-date, amendments to Regulation (EC) No 595/2009 and its implementing legislation that affect those values need be reflected in this Regulation. For that purpose, the Commission should have the powers to determine a methodology for defining a representative heavy-duty vehicle for each vehicle sub-group, on the basis of which changes of the specific CO₂ emissions should be assessed.
- (36) In order to ensure uniform conditions for the implementation of this Regulation, the implementing powers laid down in Articles 8(3), 9(3), 11(3) and 12(2) should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹⁶.

¹⁶ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L, 55, 28.2.2011, p. 13).

- (37) In order to amend or supplement non-essential elements of the provisions of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty of the Functioning of the European Union should be delegated to the Commission in respect of adjusting the reference CO₂ emissions [...] and in respect of amending the Annexes [...] to this Regulation as regards certain technical parameters, including the weightings of the mission profiles, the payloads, and the annual mileages as well as the payload adjustment factors. 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-Making¹⁷. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (38) Since the objectives of this Regulation, namely the establishment of CO₂ emissions performance standards for new heavy-duty vehicles, cannot be <u>sufficiently</u> achieved by the Member States <u>but</u> can <u>rather</u>, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

¹⁷ OJ L 123, 12.5.2016, p. 1.

HAVE ADOPTED THIS REGULATION:

Article 1 Subject matter and objective

In order to contribute to fulfilling the Union's target of reducing its greenhouse gas emissions by 30% below 2005 levels in 2030 in the sectors covered by Article 2 of Regulation (EU) No 2018/842, and to achieving the objectives of the Paris Agreement and to ensure the proper functioning of the internal market, this Regulation sets CO₂ emission performance standards for new heavy-duty vehicles whereby the specific CO₂ emissions of the Union's fleet of new heavy-duty vehicles shall be reduced compared to the reference CO₂ emissions as follows:

- (a) <u>For the reporting periods of the year 2025 onwards</u> by 15%;
- (b) For reporting periods of the year 2030 and later by at least 30%, if confirmed pursuant to the review foreseen in Article 13.

The reference CO_2 emissions shall be based on the [...] monitoring data reported pursuant to Regulation (EU) 2018/956 for the period from 1 July 2019 to 30 June 2020, hereinafter 'the reference period', excluding vocational vehicles, and shall be calculated in accordance with Point 3 of Annex I.

Article 2

Scope

- 1. This Regulation shall apply to new vehicles of the categories N2 and N3 that meet the following characteristics:
 - rigid lorries with an axle configuration of 4x2 and a technically permissible maximum laden mass exceeding 16 tons;
 - (b) rigid lorries with an axle configuration of 6x2;

- (c) tractors with an axle configuration of 4x2 and a technically permissible maximum laden mass exceeding 16 tons;
- (d) tractors with an axle configuration of 6x2.

It shall also apply, for the purposes of Article 5 and point 2.3 of Annex I, [...] to vehicles of the category N that do not fall within the scope of Regulation (EU) No 510/2011 and do not meet the characteristics set out in points (a) to (d).

The vehicle categories mentioned above refer to the vehicle categories as defined in Annex II of Directive 2007/46/EC of the European Parliament and of the Council¹⁸.

2. The vehicles referred to paragraph 1 shall, for the purposes of this Regulation, be considered as new heavy-duty vehicles in a given <u>12-month period starting from 1 July</u>, if they are registered in the Union for the first time in that <u>period</u> and have not been previously registered outside the Union.

A previous registration outside the Union made less than three months before registration in the Union shall not be taken into account.

3. The Commission shall, by means of implementing acts, adopt a specific procedure for identifying vehicles that are certified as vocational vehicles pursuant to Regulation (EC) No 595/2009 and its implementing measures but are not registered as such, and apply corrections to the annual average specific CO₂ emissions of a manufacturer to take those vehicles into account, starting from the reporting period of the year 2021 and for each subsequent reporting period. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

¹⁸ 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 (Framework Directive) (OJ L 263, 9.10.2007, p. 1).

Article 3 Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (a) 'reference CO₂ emissions' means the average of the specific emissions in <u>the reference</u> period referred to in Article 1 of all new heavy-duty vehicles in each of the vehicle subgroups, excluding vocational vehicles, determined in accordance with point 3 of Annex I;
- (b) 'specific emissions' means the CO₂ emissions of an individual heavy-duty vehicle determined in accordance with point 2.1 of Annex I;
- (ba) 'reporting period of the year Y' means the period from 1 July of the year Y to 30 June of the year Y+1;
- (c) 'average specific emissions' means the average of the specific emissions of a manufacturer's new heavy-duty vehicles in a given <u>reporting period</u> determined in accordance with point 2.7 of Annex I;
- (d) 'specific emission target' means the target of an individual manufacturer, expressed in g/tkm and determined annually for the preceding <u>reporting period</u> in accordance with point 4 of Annex I;
- (e) 'rigid lorry' means a lorry that is not designed or constructed for the towing of a semitrailer';
- (f) 'tractor' means a tractor unit that is designed and constructed exclusively or principally to tow semi-trailers;
- (g) 'vehicle sub-group' means a grouping of vehicles as defined in Point 1 of Annex I, that are characterised by a common and distinctive set of technical criteria relevant for determining the CO₂ emissions and fuel consumption of those vehicles;

- (h) 'vocational vehicle' means a heavy-duty vehicle [...] for which the CO₂ emissions and fuel consumption have been determined, in accordance with Regulation (EC) No 595/2009 and its implementing measures, only for other mission profiles than those defined in point 2.1 of Annex I to this Regulation;
- (i) 'manufacturer' means the person or body responsible for submitting the data relating to new heavy-duty vehicles pursuant to Article 5 of Regulation (EU) <u>2018/956</u> or, in the case of zero-emission heavy-duty vehicles, the person or body responsible to the approval authority for all aspects of the EC whole vehicle type-approval procedure or of the individual approval in accordance with Directive <u>2007/46/EC</u> and for ensuring conformity of production;
- (j) 'zero emission heavy-duty vehicle' means a heavy-duty vehicle without an internal combustion engine, or with an internal combustion engine that emits less than 1 g CO₂/kWh as determined pursuant to Regulation (EC) No 595/2009 and its implementing measures, or which emits less than 1 g CO₂/km as determined pursuant to Regulation (EC) No 715/2007 and its implementing measures;
- (k) 'low-emission heavy-duty vehicle' means a heavy-duty vehicle, which is not a zero emission heavy-duty vehicle, with specific CO₂ emissions of less than 350 g CO₂/km as determined pursuant to point 2.1 of Annex I;
- (1) 'mission profile' means a combination of a target speed cycle, a payload value, a body or trailer configuration and other parameters, if applicable, reflecting the specific use of a vehicle, on the basis of which official CO₂ emissions and fuel consumption of a heavy-duty vehicle are determined;
- (m) 'target speed cycle" means the description of the vehicle velocity, which the driver wants to reach or to which he is limited by traffic conditions, as a function of the distance covered in a trip;
- (n) 'payload' means the weight of the goods or of persons that a vehicle is carrying under different conditions.

Article 4 Average specific emissions of a manufacturer

Starting from <u>1 July</u> 2020 and in each subsequent <u>reporting period</u>, the Commission shall, by means of implementing acts referred to in Article 10(1), determine for each manufacturer the average specific CO_2 emissions in g/tkm for the preceding <u>reporting period</u>, by taking into account the following:

- (a) the data reported pursuant to Regulation (EU) <u>2018/956</u> for the manufacturer's new heavyduty vehicles registered in the <u>preceding reporting period</u>, excluding vocational vehicles;
- (b) the zero- and low-emission factor determined in accordance with Article 5.

The average specific emissions shall be calculated in accordance with Point 2.7 of Annex I.

Article 5 Zero- and low-emission heavy-duty vehicles

 Starting from <u>1 July</u> 2020 and for each subsequent <u>reporting period</u>, the Commission shall, by means of implementing acts referred to in Article 10(1), determine for each manufacturer the zero- and low-emission factor referred to in Article 4(b) for the preceding <u>reporting period</u>.

The zero- and low-emission factor shall take into account the number and the CO_2 emissions of zero- and low-emission heavy-duty vehicles in the manufacturer's fleet in a reporting period, including zero- emission vehicles of the categories referred to in the second sub-paragraph of Article 2(1), as well as zero- and low-emission vocational vehicles.

The zero- and low-emission factor shall be calculated in accordance with point 2.3 of Annex I.

- 2. For the purpose of paragraph 1, the zero- and low-emission heavy-duty vehicles shall be counted as follows:
 - (a) a zero-emission heavy-duty vehicle shall be counted as 2 vehicles;
 - (b) a low-emission heavy-duty vehicle shall be counted as up to 2 vehicles according to a function of its specific CO₂ emissions and the threshold emission level of 350 g CO₂/km.
- 3. The zero- and low-emission factor shall reduce the average specific emissions of a manufacturer by a maximum of 3%. The contribution of zero-emission heavy-duty vehicles of the categories referred to in the second sub-paragraph of Article 2(1) to that factor shall reduce the average specific emissions of a manufacturer by a maximum of 1.5%.

Article 6 [...] Specific emission target <u>of a manufacturer</u>

Starting from <u>1 July</u> 2026 and for each subsequent <u>reporting period</u>, the Commission shall, by means of implementing acts referred to in Article 10(1), determine for each manufacturer a specific emission target for the preceding <u>reporting period</u>. The specific emission target shall be the sum over all vehicle-subgroups of the products of the following values:

- (a) the CO₂ reduction target referred to in Article 1 (a) or (b), as applicable;
- (b) the CO₂ reference emissions;
- (c) the manufacturer's share of vehicles in each vehicle sub-group;
- (d) the annual mileage and payload weighting factors applied to each sub-group.

The specific emission target shall be calculated in accordance with Point 4 of Annex I.

Article 7 Emission credits and debts

- For the purpose of determining a manufacturer's compliance with its specific emission targets in <u>reporting periods of the years</u> 2025 to 2029, account shall be taken of its emission credits or emission debts, which correspond to the number of new heavy-duty vehicles, excluding vocational vehicles, of the manufacturer in a <u>reporting period</u>, multiplied by the difference between:
 - (a) the CO₂ reduction trajectory referred to in paragraph 2 and the average specific emissions of a manufacturer, if the difference is positive ('emission credits');
 - (b) the average specific emissions and the specific emission target of a manufacturer, if that difference is positive ('emission debts').

Emission credits shall be acquired <u>in the reporting periods of the years 2019 to 2029</u>. However, the credits acquired <u>in the reporting periods of the years 2019 to 2024</u> shall be taken into account for the purpose of determining the manufacturer's compliance with the [...] specific emission target <u>of the reporting period of the year 2025</u> only.

Emission debts shall be acquired <u>in the reporting periods of the years</u> 2025 to 2029, but the total debt shall not exceed 5% of the manufacturer's specific emission target in <u>the year</u> 2025 <u>reporting period</u> multiplied by the number of heavy-duty vehicles of the manufacturer in that <u>period</u> ('emission debt limit').

Emission credits and debts acquired in <u>the reporting periods of the years 2025 to 2028</u> shall, where available, be carried-over from one <u>reporting period</u> to another until <u>the</u> <u>reporting period of the year 2029</u> when any remaining emission debts shall be cleared.

2. The CO₂ reduction trajectory [...] shall be set for each manufacturer in accordance with point 5.1 of Annex I, based on a linear trajectory between the reference CO₂ emissions referred to in the second sub-paragraph of Article 1 and the [...] target specified for the reporting period of the year 2025 in point (a) of the first sub-paragraph of that Article, and between the [...] target for the reporting period of the year 2025 and the target applicable as from the reporting period of the year 2030 onwards.

Article 8 Compliance with the specific emission targets

- Where a manufacturer is found to have excess emissions pursuant to paragraph 2 in a given reporting period from 2025 onwards, the Commission shall impose an excess emission premium calculated in accordance with the following formula:
 - (Excess emission premium) = (Excess emissions x 6 800 €/gCO₂/tkm)
- 2. A manufacturer shall be deemed to have excess emissions in any of the following cases:
 - (a) Where, in any of the <u>reporting periods of the years</u> 2025 to 2028, the sum of the emission debts reduced by the sum of the emission credits exceeds the emission debt limit referred to in Article 7(1);
 - (b) In the <u>reporting period of the year 2029</u>, where the sum of the emission debts reduced by the sum of the emission credits exceeds zero;
 - (c) <u>From the reporting period of the year 2030</u> onwards, where the manufacturer's average specific emissions exceed its specific emission target.

The excess emissions in a given <u>reporting period</u> shall be calculated in accordance with Point 6 of Annex I.

3. The Commission shall, by means of implementing acts, determine the means for collecting excess emissions premiums under paragraph 1 [...]. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

4. The amounts of the excess emissions premium shall be considered as revenue for the general budget of the Union.

Article 9 Verification of the monitoring data

- Type approval authorities shall, without delay, report to the Commission deviations found in the CO2 emissions of heavy-duty vehicles in service as compared to those values that are indicated in certificates of conformity or in the customer file as a result of verifications performed in accordance with the procedure referred to in [Article 5(4)(1)] of Regulation (EC) No 595/2009.
- 2. The Commission shall take those deviations into account for the purpose of calculating the average specific emissions of a manufacturer.
- 3. The Commission shall, by means of implementing acts, adopt detailed rules on the procedures for reporting such deviations and for taking them into account in the calculation of the average specific emissions. Those [...] implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

<u>Article 9a</u> Assessment of reference CO₂ emissions

The Commission shall, by means of implementing acts, adopt a procedure for the assessment and, if applicable, correction of the reference CO_2 emissions to ensure its representativeness for serving as a basis for calculating the EU fleet-wide emission targets. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

Article 10

Publication of data and manufacturer performance

- 1. The Commission shall, by means of implementing acts to be adopted by <u>30 April</u> each year, publish a list indicating:
 - (a) from <u>1 July</u> 2020, for each manufacturer its average specific emission of CO₂ in the preceding <u>reporting period</u>, referred to in Article 4;
 - (b) from <u>1 July</u> 2020, for each manufacturer the zero- and low-emission factor in the preceding reporting period, referred to in Article 5;
 - (c) from <u>1 July</u> 2026, for each manufacturer its specific emission target for the preceding reporting period, referred to in Article 6;
 - (d) from <u>1 July</u> 2020 until <u>30 June</u> 203<u>1</u>, for each manufacturer its CO₂ reduction trajectory, its emission credits and, from <u>1 July</u> 2026, its emission debts in the preceding <u>reporting period</u>, referred to in Article 7;
 - (e) from <u>1 July</u> 2026, for each manufacturer its excess emissions in the preceding reporting period, referred to in Article 8;
 - (f) from <u>1 July</u> 2020, the average of the specific emissions of CO₂ of all new heavy-duty vehicles registered in the Union in the preceding <u>reporting period</u>.

The list shall, for the publication by <u>30 April 2021</u>, include the reference CO_2 emissions referred to in Article 1.

2. The Commission shall adopt delegated acts in accordance with Article 15 to adjust the reference CO₂ emissions referred to in paragraph 1 of this Article in accordance with the following:

- (a) where the <u>mission profile weights or the payload values have been adjusted pursuant</u> to Article 12(1)(b) or (c), in accordance with the procedure set out in Point 1 of Annex II;
- (b) where [...] adjustment factors have been determined pursuant to Article 12(2), by applying those adjustment factors to the reference CO₂ emissions.

The Commission shall publish the adjusted reference CO_2 emission values and shall apply those values for the calculation of the manufacturer specific emission targets applicable in the <u>reporting periods starting from the application date of</u> the delegated acts adjusting the values.

Article 11 Real-world CO₂ emissions and energy consumption

- The Commission shall monitor and assess the real-world representativeness of the CO₂ emissions and fuel consumption values determined <u>within the framework of Regulation</u> (EC) No 595/2009. It shall ensure that the public it informed of how that representativeness evolves over time.
- 2. For that purpose, the Commission shall ensure <u>that at least the following parameters</u> relating to real world CO2 emissions and energy consumption of heavy-duty vehicles <u>are</u> made available at regular intervals to the Commission, starting from 1 January 2021, from manufacturers, national authorities or through direct data transfer from vehicles, as the case <u>may be:</u>
 - (a) vehicle identification number;
 - (b) fuel and/or electric energy consumed;
 - (c) total distance travelled;

(d) payload;

(e) for externally chargeable hybrid electric vehicles, the fuel and electric energy consumed and the distance travelled distributed over the different driving modes.

The Commission shall process the data received to create an anonymised and aggregated dataset for the purposes of paragraph 1. The vehicle identification numbers shall be used only for the purpose of the data processing and shall not be retained longer than needed for that purpose.

3. The Commission <u>shall</u>, by means of implementing acts, <u>adopt</u> the <u>detailed rules on the</u> <u>procedure for collecting and processing the data</u> referred to in paragraph [...] 2 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

Article 12 Adjustments to Annexes I and II

- 1. In order to ensure that the technical parameters used for the calculation of the average specific emissions of a manufacturer pursuant to Article 4 and the calculation of the specific emission targets pursuant to Article 6 take into account technical progress and the evolution of freight transport logistics, the Commission shall be empowered to adopt delegated acts in accordance with Article 15 to amend the following provisions set out in Annexes I and II
 - (a) The entries for cab type and engine power set out in Table 1 of Annex I and the definitions of 'sleeper cab' and 'day cab' referred to in that Table;
 - (b) The mission profile weights set out in Table 2 of Annex I;
 - (c) The payload values set out in Table 3 of Annex I, and the payload adjustment factors set out in Table 1 of Annex II;
 - (d) The annual mileage values set out in Table 4 of Annex I.

- 2. Where the type-approval procedures laid down in Regulation (EC) No 595/2009 and its implementing measures are modified by other amendments than those provided for in paragraph 1(b) and (c) so that the level of the CO₂ emissions of the representative vehicles defined pursuant to this paragraph increase or decrease by more than 5 g CO₂/km, the Commission shall, in accordance with Article 10(2)(b), apply an adjustment to the reference CO₂ emissions referred to in Article 10(1) that shall be calculated in accordance with the formula set out in Point 2 of Annex II.
- 3. The Commission shall, by means of implementing acts [...], establish a methodology for defining one or more representative vehicles of a vehicle sub-group, including their statistical weightings, on the basis of which the adjustment referred to in paragraph 2 of this Article shall be determined, taking into account the monitoring data reported pursuant to Regulation (EU) 2018/956 and the technical characteristics of the vehicles listed in Article 12(1) of Regulation (EU) 2017/2400. Those implementing acts shall be adopted in accordance with the examination procedure set out in Article 14(2).

Article 13 Review and report

By 31 December 2022, the Commission shall submit a report to the European Parliament and the Council on the effectiveness of this Regulation, the CO₂ reduction target <u>applicable from</u> 2030 [....], the setting of CO₂ reduction targets to other types of heavy-duty vehicles including trailers <u>and the</u> introduction of binding emission reduction targets for 2035 and 2040 onwards for heavy-duty <u>vehicles</u>. That report shall also include an assessment of the effectiveness of the modalities addressing, in particular, the CO₂ credit system and the appropriateness of prolonging the application of those modalities in 2030 and beyond. Furthermore the report shall assess the modalities addressing zero- and low-emission vehicles, [...] taking into account the targets set out in Directive 2009/33/EC¹⁹, [...] with a view to, from 2025 onwards, replacing the supercredit system as forseen in Article 5 with an incentive mechanism based on setting appropriate benchmarks for the annual sales of zero- and low-emission heavy-duty vehicles. <u>W</u>here appropriate, this assessment shall be accompanied by a proposal for amending this Regulation.

¹⁹ Clean Vehicle Directive 2009/33/EC as amended by Directive .../.../EU

Article 14 Committee procedure

- The Commission shall be assisted by the <u>Climate Change</u> Committee established by Regulation (EU) No .../2018 [Governance]. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
- 2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
- 3. Where the Committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.

Article 15 Exercise of the delegation

- 1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
- 2. The power to adopt delegated acts referred to Articles 10(2) and 12(1) shall be conferred on the Commission for a [...] period of [...] five years from the date of entry into force of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
- 3. The delegation of power referred to in Articles 10(2) and 12(1) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated act already in force.

- Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making [...].
- 5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and the Council.
- 6. A delegated act adopted pursuant to Articles 10(2) and 12(1) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended to two months at the initiative of the European Parliament or of the Council.

Article 16 Amendment to Regulation (EC) No 595/2009

[...] Article 5(4) of Regulation (EC) No 595/2009 is amended as follows:

(a) point (e) is replaced by the following:

'(e) CO₂ emissions, fuel consumption, electric consumption and electric driving ranges;'

(b) the following points (l) and (m) are added:

- a procedure to verify, on the basis of appropriate and representative samples, whether vehicles that have been registered and entered into service are in conformity with the <u>CO₂</u> emissions, fuel consumption, electric consumption and electric driving ranges determined pursuant to this Regulation and its implementing measures;
- (m) the on-board measurement and recording of the fuel and electric consumption of motor vehicles and of the payloads and mileage of motor vehicles and trailers.'

<u>Article 16a</u> <u>Amendment of Regulation (EU)</u> 2018/956 (HDV M&R)

Regulation (EU) 2018/956 is amended as follows:

(a) <u>Article 3 is replaced by the following:</u>

<u>'Article 3</u>

<u>Definitions</u>

For the purposes of this Regulation, the definitions set out in Directive 2007/46/EC of the European Parliament and of the Council, Regulation (EC) No 595/2009 and [HDV CO2 Standards Regulation] apply.'

- (b) paragraph 1 of Article 4 is replaced by the following:
- <u>Starting from 1 January 2019</u>, Member States shall monitor the data specified in Part A of Annex I relating to new heavy-duty vehicles registered for the first time in the Union.

By 30 September each year, starting in 2020, the competent authorities of the Member States shall report those data of the previous reporting period of 1 July to 30 June to the Commission in accordance with the reporting procedure set out in Annex II.

With regard to 2019, the data reported on 30 September 2020 shall include data monitored from 1 January 2019 to 30 June 2020.

Data relating to new heavy-duty vehicles that were registered previously outside the Union shall not be monitored and reported, unless that registration was made less than three months before registration in the Union.'

- (c) paragraph 1 of Article 5 is replaced by the following:
- '1. From the starting years set out in point 1 of Part B of Annex I, manufacturers of heavy-duty vehicles shall monitor the data specified in point 2 of Part B of Annex I, for each new heavyduty vehicle.

By 30 September each year, from the starting years set out in point 1 of Part B of Annex I, manufacturers of heavy-duty vehicles shall report those data for each new heavy-duty vehicle with a date of simulation falling within the preceding reporting period of 1 July to 30 June to the Commission in accordance with the reporting procedure set out in Annex II.

With regard to 2019, manufacturers shall report the data for each new heavy-duty vehicles with a date of simulation falling within the period 1 January 2019 to 30 June 2020.

The date of simulation shall be the date reported in accordance with data entry 71 in point 2 of Part B of Annex I.'

- (d) paragraph 1 of Article 10 is replaced by the following:
- <u>'1.</u> By 30 April every year, the Commission shall publish an annual report with its analysis of the data transmitted by Member States and manufacturers for the preceding reporting period.'
- (e) point 3.2 of Annex II is replaced by the following:
- <u>' 3.2. The data relating to heavy-duty vehicles registered in the preceding reporting period and recorded in the Register shall be made public by 30 April each year, starting from 2021, with the exception of the data entries specified in Article 6(1).</u>

<u>Article 16b</u>

Amendment to Regulation (EC) No 661/2009

Regulation (EC) No 661/2009 is amended as follows:

- (a) in Article 1, the following paragraph 4 is added:
- <u>'4.</u> for the type approval of new vehicles of category O with regard to their environmental performance.'

- (b) In Article 14(3) the following points (c) and (d) are added:
- <u>(c)</u> measures assessing the performance of vehicles of category O with regard to their influence on CO2 emissions, fuel consumption, electric consumption and electric driving ranges of motor vehicles.
- (d) technical requirements for the on-board measurement and recording of payloads of vehicles of category O.'

Article 17 Entry into force

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 The President For the Council The President

ANNEX I Calculation of the average specific emissions, the average specific emission target and excess emissions

1. **VEHICLE SUB-GROUPS**

Each new heavy-duty vehicle shall be attributed to one of the sub-groups defined in Table 1 in accordance with the conditions set out therein.

Table 1 – Vehicle sub-groups (sg)	
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Heavy-duty vehicles	Cab type	Engine power	Vehicle sub-group (sg)
Rigid lorries with axle configuration 4x2 and technically	All	<170 kW	4-UD
permissible maximum laden mass > 16 tons	Day cab	≥170 kW	4-RD
	Sleeper cab	\geq 170 kW and <265 kW	
	Sleeper cab	≥265 kW	4-LH
Rigid lorries with axle	Day cab	All	9-RD
configuration 6x2	Sleeper cab		9-LH
Tractors with axle	Day cab	All	5-RD
configuration 4x2 and technically	Sleeper cab	< 265 kW	
permissible maximum laden mass >16 tons	Sleeper cab	\geq 265 kW	5-LH
Tractors with axle	Day cab	All	10-RD
configuration 6x2	Sleeper cab		10-LH

"Sleeper cab" means a type of cab that has a compartment behind the driver's seat intended to be used for sleeping as reported in accordance with Regulation (EU) No 2018/956.

"Day cab" means a type of cab that is not a sleeper cab.

If a new heavy-duty vehicle cannot be attributed to a vehicle sub-group because information on the cab type or engine power is not available, it shall be attributed to the long-haul (LH) sub-group corresponding to its chassis type (rigid lorry or tractor) and axle configuration (4x2 or 6x2).

Where a new heavy-duty vehicle is attributed to sub-group 4-UD, but data on the CO_2 emissions in g/km are not available for the UDL or UDR mission profiles as defined in Table 2 of point 2.1, the new heavy-duty vehicle shall be attributed to the sub-group 4-RD.

2. CALCULATION OF THE AVERAGE SPECIFIC EMISSIONS OF A MANUFACTURER

2.1. Calculation of the specific CO₂ emissions of a new heavy-duty vehicle

The specific emissions in g/km ($CO2_v$) of a new heavy-duty vehicle v, attributed to a subgroup sg shall be calculated in accordance with the following formula:

$$CO2_{v} = \sum_{mp} W_{sg,mp} \times CO2_{v,mp}$$

Where,

- $\sum mp$ is the sum is over all mission profiles *mp* listed in Table 2;
- *sg* is the sub-group to which the new heavy-duty vehicle *v* has been attributed according to Section 1 of this Annex;

 $W_{sg,mp}$, is the mission profile weight specified in Table 2;

 $CO2_{v,mp}$ is the CO_2 emissions in g/km of a new heavy-duty vehicle *v* determined for a mission profile *mp* and reported in accordance with Regulation (EU) No 2018/956

The specific CO_2 emissions of a zero-emission heavy-duty vehicle shall be set to 0 g CO_2/km .

The specific CO_2 emissions of a vocational vehicle shall be the average of the CO_2 emissions in g/km reported in accordance with Regulation (EU) No <u>2018/956</u>.

Vehicle sub- group	Mission profile ¹ (mp)						
(sg)	RDL	RDR	LHL	LHR	UDL	UDR	REL, RER, LEL, LER
4-UD	0	0	0	0	0,5	0,5	0
4-RD	0,45	0,45	0,05	0,05	0	0	0
4-LH	0,05	0,05	0,45	0,45	0	0	0
9-RD	0,27	0,63	0,03	0,07	0	0	0
9-LH	0,03	0,07	0,27	0,63	0	0	0
5-RD	0,27	0,63	0,03	0,07	0	0	0
5-LH	0,03	0,07	0,27	0,63	0	0	0
10-RD	0,27	0,63	0,03	0,07	0	0	0
10-LH	0,03	0,07	0,27	0,63	0	0	0

Table 2 - Mission profile weights (Wsg,mp)

¹Mission profile definitions

RDL	Regional delivery payload low		
RDR	Regional delivery payload representative		
LHL	Long haul payload low		
LHR	Long haul payload representative		
UDL	Urban delivery payload low		
UDR	Urban delivery payload representative		
REL	Regional delivery (EMS) payload low		
RER	Regional delivery (EMS) payload representative		
LEL	Long haul (EMS) payload low		
LER	Long haul (EMS) payload representative		

2.2. Average specific CO₂ emissions of all new heavy-duty vehicles in a sub-group for a manufacturer

For each manufacturer and each <u>reporting period</u>, the average specific CO₂ emissions in g/tkm ($avgCO2_{sg}$) of all new heavy-duty vehicles in a sub-group sg shall be calculated as follows:

$$avgCO2_{sg} = \frac{\sum_{v} CO2_{v}}{V_{sg} \times PL_{sg}}$$

Where,

$\sum v$	is the sum over all new heavy-duty vehicles of the manufacturer in the sub- group sg excluding all vocational vehicles in accordance with Article 4(a).
CO2 _v	is the specific CO ₂ emissions of a new heavy-duty vehicle v determined in accordance with point 2.1;
V_{sg}	is the number of new heavy-duty vehicles of the manufacturer in subgroup sg excluding all vocational vehicles in accordance with Article 4(a);
PL_{sg}	is the average payload of vehicles in the sub-group <i>sg</i> as determined in point 2.5.

2.3. Calculation of the zero- and low-emission factor as referred to in Article 5

For each manufacturer and <u>reporting period</u>, the zero- and low-emission factor (ZLEV) referred to in Article 5 shall be calculated as follows:

ZLEV = V / (Vconv + Vzlev) with a minimum of 0,97

Where:

V	is the number of new heavy-duty vehicles of the manufacturer excluding all vocational vehicles in accordance with Article 4(a).
Vconv	is the number of new heavy-duty vehicles of the manufacturer excluding all vocational vehicles in accordance with Article 4(a) and excluding zero- and low-emission heavy-duty vehicles;

Vzlev is the sum of *Vin* and *Vout*,

Where,

Vin	=	$\sum_{\nu} \square (l + (l - CO2_{\nu}/350))$
		with $\Sigma_{\nu} \square$ being the sum over all new zero- and low-emission heavy-duty vehicles with the characteristics set out in Article 2(1)(a) to (d);
$CO2_{v}$		is the specific CO_2 emissions in g/km of a zero- and low-emission heavy-duty vehicle <i>v</i> determined in accordance with point 2.1.
Vout		is the total number of zero-emission heavy-duty vehicles of the categories referred to in in the second sub-paragraph of Article $2(1)$, multiplied by 2, and with a maximum of $1,5\%$ of <i>Vconv</i> .

2.4. Calculation of the manufacturer's share of vehicles in a sub-group

For each manufacturer and each <u>reporting period</u>, the share of new heavy-duty vehicles in a sub-group *share*_{sg} shall be calculated as follows:

$$share_{sg} = \frac{V_{sg}}{V}$$

Where,

- V_{sg} is the number of new heavy-duty vehicles of the manufacturer in a subgroup *sg* excluding all vocational vehicles in accordance with Article 4(a);
- V is the number of new heavy-duty vehicles of the manufacturer excluding all vocational vehicles in accordance with Article 4(a).

2.5. Calculation of the average payload values of all vehicles in a sub-group

The average payload value PL_{sg} of a vehicle in a sub-group sg shall be calculated as follows:

$$PL_{sg} = \sum_{mp} W_{sg,mp} \times PL_{sg,mp}$$

Where,

 Σ_{mp} is the sum over all mission profiles mp

 $W_{sg,mp}$ is the mission profile weight specified in Table 2 under point 2.1

PL_{sg,mp} is the payload value attributed to the vehicles in the sub-group *sg* for the mission profile *mp*, *as* specified in Table 3.

Vehicle sub-group	Mission profile ¹ mp									
sg	RDL	RDR	LHL	LHR	UDL	UDR	REL	RER	LEL	LER
4-UD	0,9	4,4	1,9	14	0,9	4,4	3,5	17,5	3,5	26,5
4-RD										
4-LH										
5-RD	2,6	12,9	2,6	19,3	2,6	12,9	3,5	17,5	3,5	26,5
5-LH										
9-RD	1,4	7,1	2,6	19,3	1,4	7,1	3,5	17,5	3,5	26,5
9-LH										
10-RD	2,6	12,9	2,6	19,3	2,6	12,9	3,5	17,5	3,5	26,5
10-LH										

Table 3 - Payload values PL sg, mp (in tons)

¹ See mission profile definitions under Table 2 of point 2.1

2.6. Calculation of the mileage and payload weighting factor

The mileage and payload weighting factor (MPW_{sg}) of a sub-group sg is defined as the product of the annual mileage specified in Table 4 and the payload value per sub-group specified in Table 3 of point 2.5, normalised to the respective value for sub-group 5-LH, and shall be calculated as follows:

$$MPW_{sg} = \frac{(AM_{sg} \times PL_{sg})}{(AM_{5-LH} \times PL_{5-LH})}$$

Where,

- AM_{sg} is the annual mileage specified in Table 4 for the vehicles in the respective sub-group
- *AM*_{5-LH} is the annual mileage specified for the sub-group 5-LH in Table 4
- PL_{sg} is as determined in point 2.5
- PL_{5-LH} is the average payload value for the sub-group 5-LH as determined in point 2.5.

Vehicle	Annual mileage AMsg
sub-	(in km)
group	
sg	
4-UD	60 000
4-RD	78 000
4-LH	98 000
5-RD	78 000
5-LH	116 000
9-RD	73 000
9-LH	108 000
10-RD	68 000
10-LH	107 000

2.7. Calculation of the average specific CO₂ emissions in g/tkm of a manufacturer referred to in Article 4

For each manufacturer and each <u>reporting period</u>, the average specific CO_2 emissions in g/tkm (*CO2*) shall be calculated as follows:

$$CO2 = ZLEV \times \sum_{sg} share_{,sg} \times MPW_{sg} \times avgCO2_{sg}$$

Where,

$\sum sg$	is the sum is over all sub-groups;
ZLEV	is as determined in point 2.3
share,sg	is as determined in point 2.4
MPW _{sg}	is as determined in point 2.6
avgCO2 _{sg}	is as determined in point 2.2

3. CALCULATION OF THE REFERENCE CO₂ Emissions referred to in Article 1

The reference CO_2 emissions (rCO_{sg}) shall be calculated for each sub-group sg on the basis of all new heavy-duty vehicles of all manufacturers of the <u>reference period</u> as follows:

$$rCO2_{sg} = \frac{\sum_{v}(CO2_{v}/PL_{sg})}{rV_{sg}}$$

Where,

 Σ_{v} is the sum over all new heavy-duty vehicles registered in the <u>reference period</u> in the sub-group *sg* excluding all vocational vehicles in accordance with the second sub-paragraph of Article 1;

- $CO2_{\nu}$ are the specific CO₂ emissions of the vehicle ν as determined in accordance with point 2.1, if applicable adjusted pursuant to Annex II;
- rV_{sg} is the number of all new heavy-duty vehicles registered in the <u>reference</u> <u>period</u> in the sub-group sg excluding all vocational vehicles in accordance with the second sub-paragraph of Article 1;
- PL_{sg} is the average payload of vehicles in the sub-group sg as determined in point 2.5.
- 4. CALCULATION OF THE SPECIFIC EMISSION TARGET OF A MANUFACTURER REFERRED TO IN ARTICLE 6

For each manufacturer and each <u>reporting period</u>, from <u>1 July</u> 2025 on<u>wards</u>, the specific emission target T shall be calculated as follows:

$$T = \sum_{sg} share_{sg} \times MPW_{sg} \times (1 - rf) \times rCO2_{sg}$$

Where,

$\sum sg$	is the sum over all sub-groups;
$share_{sg}$	is as determined in point 4 of Section 2;
MPW_{sg}	is as determined point 6 of Section 2;
rf	is the CO ₂ reduction target (in %) applicable in the specific reporting
	period;
rCO2 _{sg}	is as determined in Section 3.

5. EMISSION CREDITS AND DEBTS REFERRED TO IN ARTICLE 7

5.1. Calculation of the CO₂ reduction trajectory for emission credits

For each manufacturer and each <u>reporting period of the years Y from 2019</u> to 20<u>30</u>, a CO₂ emission trajectory (ET_Y) is defined as follows:

$$ET_Y = \sum_{sg} share_{sg} \times MPW_{sg} \times R-ET_Y \times rCO2_{sg}$$

Where,

 $\sum sg(...)$ is the sum over all sub-groups;

share,*sg* is as determined in point 4 of Section 2;

- MPW_{sg} is as determined point 6 of Section 2;
- $rCO2_{sg}$ is as determined in Section 3;

Where,

for the <u>reporting periods</u> of the years Y from 2019 to 2025:

$$R-ET_{Y} = (1-rf_{2025}) + rf_{2025} \times (2025 - Y)/6$$

and, for the reporting periods of the years Y from 2026 to 2030:

$$R$$
- $ET_Y = (1 - rf_{2030}) + (rf_{2030} - rf_{2025}) \times (2030 - Y)/5$

 rf_{2025} and rf_{2030} are the CO₂ reduction targets (in %) <u>applicable for the reporting periods of the years</u> 2025 and 2030 [...] respectively.

5.2. Calculation of the emission credits and debts in each <u>reporting period</u>

For each manufacturer and each reporting period of the years Y from 2019 to 2029 the emission credits ($cCO2_Y$) and emission debts ($dCO2_Y$) shall be calculated as follows:

If
$$CO2_Y < ET_Y$$
:
 $cCO2_Y = (ET_Y - CO2_Y) \times V_y$ and
 $dCO2_Y = 0$

If $CO2_Y > T_Y$ for the years 2025 to 2029:

 $dCO2_Y = (CO2_Y - T_Y) \times V_Y$ and

 $cCO2_Y = 0$

In all other cases $dCO2_Y$ and $cCO2_Y$ are set to 0.

Where,

ET_Y	is the manufacturer's emission trajectory in the <u>reporting period of the year Y</u> determined in accordance with point 5.1;
$CO2_Y$	is the average specific emissions in the <u>reporting period of the year Y</u> determined in accordance with point 2.7;
T_Y	is the manufacturer specific emission target in the <u>reporting period of the year</u> Y determined in accordance with Section 4;
V_{Y}	is the number of new heavy-duty vehicles of the manufacturer in the <u>reporting period</u> <u>of the year Y excluding all vocational vehicles in accordance with Article 4(a)</u> .

5.3. Emission debt limit

For each manufacturer the emission debt limit (*limCO2*) is defined as follows:

$$limCO2 = T_{2025} \times 0,05 \times V_{2025}$$

Where

- T_{2025} is the manufacturer specific emission target in the reporting period of the year 2025 determined in accordance with Section 4;
- *V*₂₀₂₅ is the number of new heavy-duty vehicles of the manufacturer in <u>the reporting period</u> <u>of the year</u> 2025 excluding all vocational vehicles in accordance with Article 4(a).

5.4. Emission credits acquired before the year 2025

Emission debts acquired for the reporting period of the year 2025 shall be reduced by an amount *(redCO2)* corresponding to the emission credits acquired prior to this reporting period, which is determined for each manufacturer as follows:

$$redCO2 = min(dCO2_{2025}; \sum_{Y=2019}^{2024} cCO2_{Y})$$

Where,

min	is the minimum of the two values mentioned between the brackets;
$\sum_{Y=2019}^{2024}$	is the sum over the reporting periods of the years Y from 2019 to 2024;
<i>dCO2</i> ₂₀₂₅	is the emission debts for <u>reporting period of the year 2025</u> as determined in accordance with point 5.2;
cCO2 _Y	is the emission credits for the <u>reporting period of the year Y</u> as determined in accordance with point 5.2.

6. DETERMINATION OF A MANUFACTURER'S EXCESS EMISSIONS REFERRED TO IN ARTICLE 8(2)

For each manufacturer and each reporting period from the year 2025 onwards the value of the excess emissions ($exeCO2_Y$) shall be determined as follows, if the value is positive:

For the reporting period of the year 2025

$$exeCO2_{2025} = dCO2_{2025} - \sum_{Y=2019}^{2025} \dots cCO2_{Y} - limCO2$$

For the reporting periods of the years Y from 2026 to 2028

$$exeCO_{I} = \sum_{l=2025}^{Y} (dCO_{I} - cCO_{I}) - \sum_{l=2025}^{Y-1} exeCO_{J} - redCO_{I} - limCO_{I}$$

For the reporting period of the year 2029

$$exeCO2_{Y} = \sum_{I=2025}^{2029} [...] (dCO2_{I} - cCO2_{I}) - \sum_{I=2025}^{2028} [...] exeCO2_{J} - redCO2_{I}$$

For the reporting periods of the years Y from 2030 onwards

 $exeCO2_y = (CO2_Y - T_Y) x V_Y$

Where,

$\sum_{Y=2019}^{2025}$	is the sum over the reporting periods of the years Y from 2019 to 2025;
$\sum_{I=2025}^{Y}$	is the sum over the <u>reporting period</u> s <u>of the years I from 2025</u> to <u>the year Y</u> ;
$\sum_{J=2025}^{Y-1}$	is the sum over the reporting periods of the years J from 2025 to the year (Y-1);
$\sum_{J=2025}^{2028}$	is the sum over the reporting periods of the years J from 2025 to 2028;
$\sum_{I=2025}^{2029}$	is the sum over the reporting periods of the years I from 2025 to 2029;
$dCO2_Y$	is the emission debts for the <u>reporting period</u> <u>of the year Y</u> as determined in accordance with point 5.2;
cCO2 _Y	is the emission credits for the <u>reporting period</u> of the year Y as determined in accordance with point 5.2;
limCO2	is the emission debt limit as determined in accordance with point 5.3;
redCO2	is the reduction of emission debts of the <u>reporting period of the year 2025</u> as determined in accordance with 5.4.

In all other cases the value of the excess emissions $exeCO2_Y$ shall be set to 0.

ANNEX II

Adjustment procedures

1. PAYLOAD ADJUSTMENT FACTORS REFERRED TO IN ARTICLE **12(1)(**C**)**

Subject to the provisions laid down in Article 10(2)(a), for the purposes of calculating the reference CO₂ emissions referred to in Article 1, the mission profile weights and payload values applicable in the reporting period when the changes referred to in Article 12(1)(c) take effect for all new heavyduty vehicles shall be used and the CO₂ emissions in g/km of a heavy-duty vehicle v determined for a mission profile *mp* referred to in Table 2 in point 2.1 of Annex I shall be adjusted as follows:

 $CO2_{v,mp} = CO2(\underline{RP})_{v,mp} x (l + PLa_{sg,mp} x (PL_{sg,mp} - PL(\underline{RP})_{sg,mp}))$

Where

sg	is the sub-group to which the vehicle <i>v</i> belongs;
CO2(<u>RP</u>) _{v,mp}	is the specific CO ₂ emissions of vehicle v in g/km, as determined on mission profile mp and based on the [] monitoring data for the reference period reported in accordance with Regulation (EU) No $2018/956$;
PL(<u>RP</u>)sg, mp	is the payload value, which was attributed to vehicle \underline{v} in the sub-group sg on the mission profile mp in the reference period, in accordance with Table 3 of point 2.5 of Annex I, for the purposes of establishing the [] monitoring data for the reference period reported in accordance with Regulation (EU) No 2018/956;
PLsg, mp	is the payload value attributed to vehicles in the sub-group sg on the mission profile mp in the <u>reporting period</u> when the changes referred to in Article 12(1)(c) take effect for all new heavy-duty vehicles, in accordance with Table 3 of point 2.5 of Annex I;
PLasg, mp	is the payload adjustment factor defined in Table 5.

PLasg,mp		Mission profiles <i>mp</i> ¹					
(in 1/tons)		RDL, RDR	REL, RER	LHL, LHR	LEL, LER	UDL, UDR	
	4-UD	0,026	N.A.	0,015	N.A.	0,026	
	4-RD						
Vehicle	4-LH						
	5-RD	0,022	0,022	0,017	0,017	0,022	
sub-	5-LH						
	9-RD	0,026	0,025	0,015	0,015	0,026	
groups	9-LH						
sg	10-RD	0,022	0,021	0,016	0,016	0,022	
	10-LH						

Table 5 - Payload adjustment factors PLa sg, mp

¹ see mission profile definitions in point 1 of Section 2 of Annex I.

2. ADJUSTMENT FACTORS REFERRED TO IN ARTICLE 10(2)(B)

Subject to the provisions laid down in Article 10(2)(b), for the purposes of calculating the reference CO₂ emissions referred to in Article 1, the mission profile weights and payload values applicable in the reporting period when the changes referred to in Article 12(1)(c) take effect for all new heavyduty vehicles shall be used and the CO₂ emissions in g/km of a heavy-duty vehicle *v* determined for a mission profile *mp* referred to in point 2.1 of Annex I shall be adjusted as follows:

$$CO2_{v,mp} = CO2(\underline{RP})_{v,mp} x (\sum_{r} s_{r,sg} x CO2[\ldots]_{r,mp}) / (\sum_{r} s_{r,sg} x CO2(\underline{RP})_{r,mp})$$

Where

$\sum r$	is the sum over all representative vehicles <i>r</i> for the sub-group <i>sg</i> ;
sg	is the sub-group to which the vehicle <i>v</i> belongs;
S r,sg	is the statistical weight of the representative vehicle <i>r</i> in the sub-group <i>sg</i> ;
CO2(<u>RP</u>) _{v,mp}	is the specific CO ₂ emissions of vehicle v in g/km, as determined on mission profile mp and based on the [] monitoring data of the reference period reported in accordance with Regulation (EU) No $2018/956$;

CO2(<u>RP</u>) _{r,mp}	is the specific CO ₂ emissions of the representative vehicle <i>r</i> in g/km, as determined on mission profile <i>mp</i> in accordance with Regulation (EC) No 595/2009 and its implementing measures in the reference period when $CO2(RP)_{v,mp}$ was determined;
CO2 _{r,mp}	is the specific CO ₂ emissions of the representative vehicle r , as determined <u>on mission profile mp</u> in accordance with <u>Regulation (EC) No 595/2009 and its implementing measures</u> in the <u>reporting period</u> when the changes referred to in Article 12(2) take effect for all new heavy-duty vehicles.

The representative vehicle shall be defined in accordance with the methodology referred to in Article $12(\underline{3})$.