

Amendment – 5y. Averaging for passenger cars (2028-2032)

Recital 8, Article 4	
<i>Text proposed by the Commission</i>	<i>ACEA Amendment</i>
<i>Recital 8</i> (8) In order to provide additional flexibilities, during the period 2030 to 2032, manufacturers should ensure that the average specific emissions of CO₂ of their vehicles do not exceed an emissions target, calculated as the average of their annual specific emissions targets over the period. Compliance with the targets should be assessed at the end of the period for each individual manufacturer. The excess emission premiums should be calculated accordingly. <i>Article 4 para 1a</i> “1a. By way of derogation from paragraph 1, for the periods comprising the calendar years 2025 to 2027 and the calendar years 2030 to 2032, a manufacturer, including when it is a member of a pool, shall ensure that its average specific emissions of CO₂ over these periods do not exceed its specific emissions target over these periods.	<i>Recital 8</i> (8) In order to provide additional flexibilities, during the period 2030 2028 to 2032, manufacturers should ensure that the average specific emissions of CO₂ of their M category vehicles do not exceed an emissions target, calculated as the average of their annual specific emissions targets over the period. Compliance with the targets should be assessed at the end of the period for each individual manufacturer. The excess emission premiums should be calculated accordingly. <i>Article 4 para 1a</i> “1a. By way of derogation from paragraph 1, for the periods comprising the calendar years 2025 to 2027 and the calendar years 2030 2028 to 2032, a manufacturer, including when it is a member of a pool, shall ensure that its average specific emissions of CO₂ over that period do not exceed its specific emissions target over that periods. Those average specific emissions of CO₂ shall be calculated as the average over the three and five-year period of the annual average specific emissions of CO₂ weighted according to the number of newly registered vehicles for the M category manufacturer in each calendar year. The specific emissions target shall be calculated in accordance with point 6.3 of Part A of Annex I or, where a manufacturer is granted a derogation under Article 10, in accordance with that derogation, weighted according to the number of newly registered vehicles for the manufacturer in each calendar year. By way of derogation from paragraph 1, for the five-year period comprising the calendar years 2025 to 2029 and for the five-year period comprising the calendar years 2030 to 2034, a manufacturer, including when it is a member of a pool, shall ensure that its average specific emissions of CO₂ over that period do not exceed its specific emissions target over that period. Those average specific emissions of CO₂ shall be calculated as the average over the five-year period of the annual average specific emissions of CO₂ weighted according to the number of newly registered vehicles for the N vehicle manufacturer in each calendar year. The specific emissions target shall be calculated in accordance with point 6.3 of Part B of Annex I or, where a manufacturer is granted a derogation under Article 10, in accordance with that derogation, weighted according to the number of newly registered vehicles for the manufacturer in each calendar year.

Amendment – 2035 90% target – passenger cars

Article 8 - penalties	
<i>Text proposed by the Commission</i>	<i>ACEA Amendment</i>
<i>Recital 9</i> (9) The fleet-wide emissions reduction target as from 2035 is reduced from 100% to 90%, provided that the remaining emissions are compensated by the use of low-carbon steel credits or sustainable renewable fuel credits. <i>Recital 10</i> (10) The use of low-carbon steel credits and sustainable renewable fuel credits should be capped in order to preserve investments in the zero-emission value-chain. By allowing to compensate emissions up to 10% of the EU fleet-wide target of 2021 as from 2035, these credits, combined with the 90% emissions reduction target, support the overall climate neutrality objective. <i>Article 8 (2)</i> The excess emissions premium under paragraph 1 shall be calculated using the following formula: (Excess emissions × EUR 95) × number of newly registered vehicles. <i>Article 8 (5)</i> (b) the following paragraph (5) is added: “By way of derogation from paragraphs 1 and 2, for each calendar year starting from 2035, the Commission shall impose an excess emissions premium on a manufacturer or pool manager, as appropriate, where a manufacturer's average specific emissions of CO₂ exceed its specific emissions target or its average specific emissions of CO₂ exceed the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel credits as referred to in Article 5b. The excess emissions premium shall be calculated using the following formula: (average specific emissions of CO₂ – (fuel credits + low-carbon steel credits)) × EUR 95) × number of newly registered vehicles. In the above calculation the sum of fuel credits and low-carbon steel credits cannot exceed 10% of the EU2021 target”;	<i>Recital 9</i> (9) The fleet-wide emissions reduction target as from 2035 is reduced from 100% to 90% for passenger cars and 80% for vans, provided that the remaining emissions are compensated by the use of low-carbon steel credits or sustainable renewable fuel credits. <i>Recital 10</i> (10) The use of low-carbon steel materials credits and sustainable renewable fuel credits should be capped in order to preserve investments in the zero-emission value-chain. By allowing to compensate additional emissions up to 10%, or 20% for a manufacturer that has been granted a derogation under Article 10 (1), of the EU fleet-wide target of 2021 OEM2021 specific target as from date of the application of the review 2035, these credits, combined with the 90% emissions reduction target, support the overall climate neutrality objective. <i>Article 8 (2)</i> The excess emissions premium under paragraph 1 shall be calculated using the following formula: (Excess emissions – (fuel credits + low-carbon materials credits)) × EUR 95) × number of newly registered vehicles. <i>Article 8 (5)</i> (b) the following paragraph (5) is added: “By way of derogation from paragraphs 1 and 2, for each calendar year starting from 2035, the Commission shall impose an excess emissions premium on a manufacturer or pool manager, as appropriate, where a manufacturer's average specific emissions of CO₂ exceed its specific emissions target or its average specific emissions of CO₂ exceed the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel materials credits as referred to in Article 5b. The excess emissions premium shall be calculated using the following formula: (average specific emissions of CO₂ – specific emission target as defined in Article 1 para 5a or Article 10) – (fuel credits + low-carbon steel materials credits)) × EUR 95) × number of newly registered vehicles. In the above calculation the sum of fuel credits and low-carbon steel materials credits cannot exceed 10% or 20% for a

	manufacturer that has been granted a derogation under Article 10 (1), of the OEM2021 specific target”. In case the outcome of the excess emission premium calculation formula becomes negative, the excess emissions premium is set to zero.
<u>Justification:</u> 100% target is unachievable at current economic situation and foreseen market development. Number of predictions foresee significantly lower BEV uptake up to 2035. Technology neutrality has to be ensured to speed-up overall decarbonisation of the road transport (greater consumer choice of electrified solutions). Moreover, the proposed excess emissions formula from 2035 is not suitable for small volume manufacturers, as it disregards derogation targets granted under Article 10(2) until 2035 included. By effectively removing the role of the specific emissions target, it would lead to nullify the derogation given and to inconsistent and unjustified penalties. Lowering the target does not imply moving away from the long-term decarbonisation targets and still keeping the track to be “Paris compliant” – the 10% gap could be easily eliminated by higher role of renewable fuels in road transport (above current RED targets), faster fleet renewal with significant impact on the overall cca 250 million of vehicles on the roads with high emission performance or role of advanced materials across the value chain. The contribution of steel should be enlarged to other advanced materials (e.g. aluminium) to provide incentive to bigger number of lead markets and stimulate competition between material providers. For small volume manufacturers which are granted a derogation under Article 10(1), a credit cap twice that of large volume manufacturers shall be provided, consistently with the ratio of average specific emission target between small and large volume manufacturers in 2021, according to Commission Implementing Decision (EU) 2023/1623.	

Amendment – Further 10% Compensation by green materials + fuels

Article 15 – role of low-carbon materials	
<i>Text proposed by the Commission</i>	<i>ACEA Amendment</i>
<i>Recital 13</i> (13) The promotion of low-carbon steel is essential to achieve the Union’s climate objectives while strengthening its industrial competitiveness and strategic autonomy. As the automotive sector is a key user of steel, it is appropriate to incentivise the use of low-carbon steel in vehicle production to create a lead-market. Hence, to compensate, after 2035, the CO2 emissions of their new vehicles, which have not already been compensated by the use of sustainable renewable fuels, manufacturers should be able to use made in the EU low-carbon steel credits. <i>Article 4 para 1 (c)</i> (c) for each calendar year, starting from 2025, the specific emissions targets determined in accordance with point 6.3 of Part A or B of Annex I, or, where a manufacturer is granted a derogation under Article 10, in accordance with that derogation. “In addition, starting from 2035, the manufacturer shall also ensure that its average specific emissions of CO2 do not exceed the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel credits as referred to in with Article 5b.”; <i>Article 5b</i> 1. Starting from 2035, a manufacturer shall obtain credits for low-carbon steel made in the EU (‘low-carbon steel credits’) to compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year. 2. Paragraph 1 shall not apply for those vehicles whose contribution to the average emissions is covered by Article 5a. 3. Low-carbon steel credits shall be calculated taking into account the quantity and the CO2 emissions intensity, calculated according to the methodology as set out in accordance with paragraph 6, of the low-carbon steel made in the EU used in the manufacturer’s new passenger cars or new light commercial vehicles registered in the Union in the calendar year, the number of vehicles registered in the calendar	<i>Recital 13</i> (13) The promotion of low-carbon steel materials is essential to achieve the Union’s climate objectives while strengthening its industrial competitiveness and strategic autonomy. As the automotive sector is a key user of steel, aluminum and other materials or components it is appropriate to incentivise the use of low-carbon steel materials in vehicle production to create a lead-market. Hence, to compensate, as quickly as possible after 2035, the CO2 emissions of their new vehicles, which have not already been compensated by the use of sustainable renewable fuels, manufacturers should be able to use made in the EU low-carbon steel materials credits. When calculating CO₂ compensations deriving from low-carbon materials, the term use shall not be limited to the amount of materials processed in the vehicle (net mass), but refer to the amount of materials purchased (gross mass). <i>Article 4 para 1 (c)</i> (c) for each calendar year, starting from 2025, the specific emissions targets determined in accordance with point 6.3 of Part A or B of Annex I, or, where a manufacturer is granted a derogation under Article 10, in accordance with that derogation. “In addition, starting from 2035, the manufacturer shall also ensure that its average specific emissions of CO2 do not exceed the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel credits as referred to in with Article 5b.” <i>Article 5b</i> 1. Starting from 2035, As of date of application, a manufacturer shall obtain credits for low-carbon steel materials made in the EU (‘low-carbon steel materials’) to compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year. 2. Paragraph 1 shall not apply for those vehicles whose contribution to the average emissions is covered by Article 5a. 3. Low-carbon steel materials credits shall be calculated taking into account the quantity and the CO2 emissions intensity, calculated according to the methodology as set out in accordance with paragraph 6, including consideration of the made in EU to prioritise, of the low-carbon steel materials made in the EU used in the production of the manufacturer’s new passenger cars or new light commercial vehicles registered in the Union in the calendar year, the number of

year, and the lifetime mileage of the vehicles, in accordance with point 7 of Parts A and B of Annex I. 4. Low-carbon steel credits shall not decrease the average specific emissions of CO₂ of a manufacturer by more than 7% of the EU fleet-wide target²⁰²¹ as set out in point 6.0 of Annex I Parts A and B. 5. The Commission shall specify, by means of implementing acts, the detailed rules and procedures for the monitoring and reporting by manufacturers of all the necessary data for the calculation of the low-carbon steel credits. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(2). 6. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to supplement this Regulation by setting up a methodology for determining the characteristics of the low carbon steel and the CO₂ emissions intensity of the steel and of the baseline steel as a reference point for the calculation for the low-carbon steel credits. 7. Paragraph 1 shall not apply to manufacturers that formed a pool, unless all the manufacturers included in the pool are part of the same group of connected manufacturers.”;	vehicles registered in the calendar year, and the lifetime mileage of the vehicles, in accordance with point 7 of Parts A and B of Annex I. 4. Low-carbon steel materials credits shall not decrease the average specific emissions of CO₂ of a manufacturer by more than 7 5% of the EU fleet-wide target²⁰²¹ OEM 2021 specific target as set out in point 6.0 points 4 and 5 of Annex I Parts A and B. The share of the renewable fuels and advanced materials to be revisited during the Regulation review in 2029, also reflecting potential RED review parameters. Low carbon materials credits shall not decrease the average specific emissions of CO₂ of a manufacturer which has been granted a derogation under Article 10(1) by more than 10% of the OEM²⁰²¹ specific target as set out in points 4 and 5 of Annex I Part A and B. 5. The Commission shall specify by end 2027 at the latest, by means of implementing acts, the detailed rules and procedures for the monitoring and reporting by manufacturers of all the necessary data for the calculation of the low-carbon steel materials credits, including their definition and made in EU provisions to prioritise. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(2). 6. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to supplement this Regulation by setting up a methodology for determining the characteristics of the low carbon steel materials and the CO₂ emissions intensity of the steel material and of the their baseline steel as a reference point for the calculation for the low-carbon steel materials credits. 7. Paragraph 1 shall not apply to manufacturers that formed a pool, unless all the manufacturers included in the pool are part of the same group of connected manufacturers.”;
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Justification: The proposal should not limit the use of low-carbon steel only, but to be extended to other materials, such as aluminium for example. This would increase competition between different materials manufacturers to lower prices of those advanced materials and speed-up decarbonisation in more lead markets, with benefits for final consumers. The contribution of the advanced materials should be part of the compliance immediately as quickly as possible (by end 2027 at the latest) to speed-up decarbonisation of that part of the supply chain. The contribution of advanced materials to be put in balance with the contribution of the renewable fuels to drive demand for decarbonised products and fuels at the same time.

In order to stimulate development of alternative materials (especially steel and aluminium, but others to be further defined by the Commission), the cap should be set at a level of 5%. The total contribution of the two compensation mechanisms shall not exceed 10%. The share of the renewable fuels and advanced materials to be revisited during the Regulation review in 2029 and also reflecting foreseen RED review.

With respect to Article 4 para 1 (c), the OEMs could exceed the target but will pay excess premium.

For alternative credit cap for small volume manufacturers which have been granted a derogation under Article 10(1), refer to justification of Recital 10 and Article 8 (5) for passenger cars.

Amendment – Further 10% Compensation by green materials + fuels

Article 5a –Role of sustainable renewable fuels	
Text proposed by the Commission	ACEA Amendment
<i>Article 5a</i> 1. Starting from 2035, the Commission shall calculate, for each manufacturer, fuel credits based on the greenhouse gas emission savings achieved by the use of the fuels referred to in paragraph 2, as determined in accordance with point 7 of Parts A and B of Annex I, to compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year. These fuel credits shall be calculated taking into account the quantity of such fuels placed on the Union market for road transport and their greenhouse gas emissions intensity, as calculated according to Article 29a and 31 of Directive (EU) 2018/2001 and as reported in the Union Database established pursuant to Article 31a of that Directive, the share of road transport fuel used in passenger cars and light commercial vehicles, the average lifetime mileage of the vehicles, and the number of vehicles registered. 2. The eligible fuels shall be renewable fuels of non-biological origin (RFNBOs) as defined in Article 2(36) of Directive (EU) 2018/2001 and fulfilling the criteria set out in Article 29a of that Directive, biofuels, as defined in Article 2(33) of that Directive, and biogas, as defined in Article 2(28) of that Directive, both produced from feedstock listed in Annex IX to that Directive and fulfilling the criteria set out in Article 29 of that Directive. 3. The credits from all fuels referred to in paragraph 2 shall not reduce the average specific emissions of CO₂ of a manufacturer by more than 3% of the EU fleet-wide target²⁰²¹ as set out in point 6.0 of Annex I Parts A and B. The credits from the quantities of biofuels and biogas produced from The credits from the quantities of biofuels and biogas produced from feedstock listed in Part B of Annex IX to Directive (EU) 2018/2001 shall not reduce the average specific emissions of CO₂ of a manufacturer by more than 1% of the EU fleet-wide target²⁰²¹ as set out in point 6.0 of Annex I Parts A and B.	<i>Article 5a</i> 1. Starting from 2035, As from the date of application of this Regulation, the Commission shall calculate, for each manufacturer, fuel credits based on the greenhouse gas emission savings achieved by the use of the fuels referred to in paragraph 2, as determined in accordance with point 7 of Parts A and B of Annex I, to compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year. These fuel credits shall be calculated taking into account the quantity of such fuels placed on the Union market for road transport and their greenhouse gas emissions intensity, as calculated according to Article 29, 29a and 31 of Directive (EU) 2018/2001 and as reported in the Union Database established pursuant to Article 31a of that Directive, the share of road transport fuel used in passenger cars and light commercial vehicles, the average lifetime mileage of the vehicles, and the number of vehicles registered. 2. The eligible fuels shall be renewable fuels verifiable RED-compliant sustainable fuels of non-biological origin (RFNBOs) as defined in Article 2(36) of Directive (EU) 2018/2001 and recycled carbon fuels (RCF) as defined in Article 2(35) of that Directive and fulfilling the criteria set out in Article 29a of that Directive, biofuels, as defined in Article 2(33) of that Directive, and biogas, as defined in Article 2(28) of that Directive, both produced from feedstock listed in Annex IX to that Directive and fulfilling the criteria set out in Article 29 of that Directive. In all cases, eligible fuels shall meet required EU fuel quality standards. 3. The credits from all fuels referred to in paragraph 2 shall not reduce the average specific emissions of CO₂ of a manufacturer by more than 5 3% of the EU fleet-wide target²⁰²¹ OEM²⁰²¹ specific target as set out in point 6.0 points 4 and 5 of Annex I Parts A and B. The credits from the quantities of biofuels and biogas produced from The credits from the quantities of biofuels and biogas produced from feedstock listed in Part B of Annex IX to Directive (EU) 2018/2001 shall not reduce the average specific emissions of CO₂ of a manufacturer by more than 1% of the EU fleet-wide target²⁰²¹ as set out in point 6.0 of Annex I Parts A and B. The share of the renewable fuels and advanced materials to be revisited during the Regulation review in 2029, also reflecting potential RED review parameters. The credits from all fuels referred to in paragraph 2 shall not reduce the average specific emissions of CO₂ of a manufacturer which has been granted a derogation under

4. Paragraph 1 shall not apply to manufacturers that formed a pool, unless all the manufacturers included in the pool are part of the same group of connected manufacturers.	Article 10(1) by more than 10% of OEM2021 specific target in 2021 as set out in points 4 and 5 of Annex I Parts A and B. 4. Paragraph 1 shall not apply to manufacturers that formed a pool, unless all the manufacturers included in the pool are part of the same group of connected manufacturers.
<u>Justification:</u> The fuel credit mechanism proposed by EU Com of a defined CO2 compensation via the use of CO2 neutral fuels is generally supported but should be adjusted in its details: It makes sense to use the fuel compensation proposed by the EU Commission before 2035 in order to allow the CO2 effect of the market fuel that already exists today to take effect for compliance with the upcoming 2030 target. A slight increase of the proposed 3% CO2 cap on the use of fuel credits to 5% is more appropriate. It is important to also mention that all these eligible fuels should be covered by minimum quality standards to ensure broad compatibility of use in road vehicles. In order to stimulate development of alternative fuels, the cap should be increased to 5% in order to make the compensation mechanism workable and use full amount of credits either from fuels or advanced materials. The total contribution of the two compensation mechanisms shall not exceed 10%. The share of the renewable fuels and advanced materials to be revisited during the Regulation review in 2029 and also reflecting foreseen RED review. With respect to Article 4 para 1 (c), the OEMs could exceed the target but will pay excess premium. For alternative credit cap for small volume manufacturers which have been granted a derogation under Article 10(1), refer to justification of Recital 10 and Article 8 (5) for passenger cars.	

Amendment – Super-credits (small, Made in Europe)

Article 5 - Super credits for small zero-emission vehicles	
<i>Text proposed by the Commission</i>	<i>ACEA Amendment</i>
1. Until 2034, for the purpose of calculating a manufacturer's average specific emissions of CO ₂ , each new zero-emission vehicle of category M1 identified as small electric vehicle in line with point 2.4 of Part A of Annex I to Regulation (EU) 2018/858 and made in the EU shall be counted as 1.3 vehicles.	1.a. Until 2034, for the purpose of calculating a manufacturer's average specific emissions of CO₂, each new zero-emission vehicle of category M1 identified as small electric vehicle of ≤ 4,2m in line with point 2.4 of Part A of Annex I to Regulation (EU) 2018/858 and made in the EU shall be counted as 1.3 1.4 vehicles. 1.b. Until 2034, for the purpose of calculating a manufacturer's average specific emissions of CO₂, each new zero-emission vehicle of category N1 shall be counted as 1.2 vehicles. 1.c. Until 2034, for the purpose of calculating a manufacturers average specific emissions of CO₂ and fullfill criteria as set in the [link to IAA final agreement] shall be counted as 1.3 vehicles for M1 vehicle category and in case of vehicles falling under scope of para 1.a. and 1.b. should receive additional 1.2 multiplier on top of the super-credit granted under those articles.
<u>Justification:</u> Super-credits would serve as a strong incentive for manufacturers to produce affordable electric vehicles (EVs), thereby accelerating the growth of this segment in the EU, which is notably sensitive to price fluctuations and aligns with the Commission's objective to support BEV manufacturing in Europe. Further support should be provided through complementary national measures, such as lowering charging prices, abundant charging infrastructure, fiscal incentives or non-fiscal schemes like social leasing, to encourage broader adoption. Electrification of light commercial vehicles (LCVs) presents considerably greater challenges than passenger cars, mainly due to their functional purpose (transporting goods rather than leisure), operational patterns (often running continuously), and intensive driving requirements necessitating rapid charging solutions. A proven super-credit system offers the benefit of reducing compliance costs, which can then be reinvested to further reduce vehicle costs for end customers. Note: in case there is no agreement on IAA, Article 5 para 2. to be modified as follows: 2. By December 2026, the Commission shall adopt implemented acts in accordance with Article 17 in order to supplement this Regulation by setting up a methodology for determining the criteria for a car to be considered 'made in the EU'.	

Amendment – Correction of negative slope (mass adjustment)

Article 14	
<i>Text proposed by the Commission</i>	<i>ACEA Amendment</i>
<i>Article 14</i> 1. The M_0 and TM_0 values referred to in Parts A and B of Annex I shall be adjusted as follows: (a) by 31 October 2020, the M_0 value in point 4 of Part A of Annex I shall be adjusted to the average mass in running order of all new passenger cars registered in 2017, 2018, and 2019. That new M_0 value shall apply from 1 January 2022 until 31 December 2024; (b) by 31 October 2022, the M_0 value in point 4 of Part B of Annex I shall be adjusted to the average mass in running order of all new light commercial vehicles registered in 2019, 2020 and 2021. That new M_0 value shall apply in 2024; (c) by 31 October 2022, the indicative TM_0 value for 2025 shall be determined as the respective average test mass of all new passenger cars and new light commercial vehicles registered in 2021; (d) by 31 October 2024, and every second year thereafter, the TM_0 value in point 6.2 of Parts A and B of Annex I shall be adjusted to the respective average test mass of all new passenger cars and new light commercial vehicles registered in the preceding two calendar years, starting with 2022 and 2023. The new TM_0 values shall apply from 1 January of the calendar year following the date of the adjustment. 2. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to supplement this Regulation by establishing the measures referred to in paragraph 1 of this Article.	<i>Article 14</i> 1. The M_0 and TM_0 values referred to in Parts A and B of Annex I shall be adjusted as follows: (a) by 31 October 2020, the M_0 value in point 4 of Part A of Annex I shall be adjusted to the average mass in running order of all new passenger cars registered in 2017, 2018, and 2019. That new M_0 value shall apply from 1 January 2022 until 31 December 2024; (b) by 31 October 2022, the M_0 value in point 4 of Part B of Annex I shall be adjusted to the average mass in running order of all new light commercial vehicles registered in 2019, 2020 and 2021. That new M_0 value shall apply in 2024; (c) by 31 October 2022, the indicative TM_0 value for 2025 shall be determined as the respective average test mass of all new passenger cars and new light commercial vehicles registered in 2021; (d) by 31 October 2024, and every second year thereafter, the TM_0 value in point 6.2 of Parts A and B of Annex I shall be adjusted to the respective average test mass of all new passenger cars and new light commercial vehicles registered in the preceding two calendar years, starting with 2022 and 2023. The new TM_0 values shall apply from 1 January of the calendar year following the date of the adjustment. 2. In case the outcome of the mass adjustment – as calculated in accordance with Annex I Part A point 6.2.1. – for a Manufacturer or a Pool of manufacturers becomes negative – i.e. when average TM of said manufacturer or pool of manufacturers is greater than the TM_0 value for that calendar year, contribution of the mass adjustment shall be set to zero. 2 3. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to supplement this Regulation by establishing the measures referred to in paragraph 1 of this Article.
Justification: the calculation formula cannot lead to negative slope and manufacturers should not be additionally “penalised” by electrification. Battery weight is leading to higher mass of the vehicles, which in principle are leading to negative slope (OEMs with higher share of electrified vehicles have more stringent targets than those with higher ICE share).	

Amendment – PHEV Utility Factor 1 freeze

Commission proposal 2025/0422 (COD)	
<i>Annex I of the Automotive Omnibus</i>	
Annex I to Regulation (EU) 2024/1257 is amended as follows:	
<i>Amendment</i>	
Table 1: Conditions for testing compliance of vehicles of categories M1 and N1 with exhaust emission limits with any market fuel and lubricant within the specifications issued by the manufacturer	
Laboratory exhaust emission measurement	Real Driving Emission (RDE) measurement
For all exhaust emission tests conducted using the Worldwide Harmonized Light Vehicles Test Procedure (WLTP) chassis dynamometer test cycle, UN Regulation No 154 (*) shall apply. The provisions in respect of Level 1A (4-phase WLTP) shall apply.	For RDE tests conducted on the road, UN Regulation No 168 (**) shall apply, with emissions evaluation fulfilled with respect to the 4-phase WLTP.
(*) UN Regulation No 154 — Uniform provisions concerning the approval of light duty passenger and commercial vehicles with regards to criteria emissions, emissions of carbon dioxide and fuel consumption and/or the measurement of electric energy consumption and electric range (WLTP), 02 series of amendments. <i>For OVC-HEVs the parameter dnec for the determination of the fractional UF according to Appendix 5 of Annex B8 to UN Regulation No 154 shall be replaced with the parameter dnx equal to 2200 km.</i>	
(**) UN Regulation No 168, Original version.	
<u>Justification:</u>	
Reducing the utility factor (UF) would abruptly reduce the regulatory CO ₂ value of plug-in hybrids (PHEVs), undermining existing industrial investments and market planning for electrified portfolios. Regulators should keep the UF stable to provide predictable signals while other tools (incentives, infrastructure) scale up.	
The UF methodology relies on usage datasets and OBFCM concepts that are still evolving. Freezing the UF avoids locking in estimations based on incomplete/methodologically immature data and gives time to roll out robust on-board data collection and validation. Real-world electric use by PHEV drivers depends on charging availability, incentives and consumer behaviour.	
Any UF update should be coordinated with parallel policies (incentives, infrastructure roll-out) to ensure intended CO ₂ savings are realised.	

Regulation (EU) 2017/1151*Annex XXI, Appendix 5*

Table A8. App 5/1: Parameters for the Determination of Fractional UFs (As Applicable)

Parameter	Value
dnea (*)	800 km
dneb (*)	2 200 km
dnec (*)	4 260 km
C1	26,25
C2	– 38,94
C3	– 631,05
C4	5 964,83
C5	– 25 095
C6	60 380,2
C7	– 87 517
C8	75 513,8
C9	– 35 749
C10	7 154,94
(*) The value to be applied shall be that corresponding to the emission characters EA, EB and EC as specified in Table 1, Appendix 6 to Annex I.’.	

Amendment

Table A8. App 5/1: Parameters for the Determination of Fractional UFs (As Applicable)

Parameter	Value
dnea (*)	800 km
dneb (*)	2 200 km
dnec (*)	2 200 km

Justification:

The parameter $d_{nec} = 2200$ km for Off-Vehicle Charging Hybrid Electric Vehicles (OVC-HEVs) for the determination of the fractional Utility Factor (UF) ensures a consistent and legally certain application of the WLTP methodology for charge-depleting range assessment.

This amendment is intended to ensure regulatory consistency and uniform approach for all manufacturers required to comply with Euro 6e-bis-FCM before mandatory transition to Euro 7 according to Article 21 of EU 2024/1257 (i.e. vehicles of categories M2 & N2, small volume manufacturers)

Freezing the UF is essential to preserve the climate contribution and industrial role of PHEVs at a critical stage of the transition. PHEVs already deliver tangible CO₂ reductions—particularly in urban areas and in markets with limited charging infrastructure—and benefit from rapidly improving electric range and charging performance. Further tightening would prematurely weaken a technology that remains a meaningful component of a diversified, technology-neutral decarbonisation pathway.

A downward adjustment of the UF would abruptly reduce the regulatory CO₂ value of PHEVs, undermining existing industrial investments, product planning cycles and electrified portfolio strategies. The European automotive sector is already under structural pressure, and additional regulatory tightening would risk devaluing multi-billion-euro investments, disrupting supply chains—especially SMEs—and weakening Europe’s global competitiveness vis-à-vis markets pursuing multi-technology strategies.

Regulatory predictability is crucial. Freezing the UF provides stable signals to industry while complementary measures—such as charging infrastructure deployment, electricity price incentives and consumer support schemes—are scaled up. Real-world electric driving shares depend primarily on charging availability, affordability and user behaviour rather than intrinsic technical limitations of PHEVs.

Moreover, the UF methodology relies on usage datasets and OBFCM concepts that are still evolving. Freezing the UF avoids locking in adjustments based on incomplete or methodologically immature data and allows time for more robust on-board data collection, validation and policy alignment.

Any future revision of the UF should therefore be coordinated with parallel policies to ensure that intended CO₂ savings are effectively realised in practice. A freeze safeguards climate ambition, technology neutrality, industrial resilience and regulatory coherence.

Amendment: VEEF – Vehicles running Exclusively on Eligible Fuels (RED Definition)

Article 3 + new recital 12 (new)	
<i>Text proposed by the Commission</i>	<i>ACEA Amendment</i>
<i>Recital 12</i> It is appropriate to allow for a recognition of emissions savings from sustainable renewable fuels in the CO₂ standards, to provide further flexibilities for manufacturers and support investments in the development of the sustainable renewable fuel value chain. Such fuels will continue to play a role in the decarbonisation of transport. In order to support innovative technologies, the current framework under Directive (EU) 2018/2001 includes binding targets for advanced biofuels in transport. Progress in its implementation is made albeit slow. A review of the Directive (EU) 2018/2001 is planned for end 2026 assessing the progress made and the need for an update of the future bioeconomy framework. <i>Article 3</i> (3) Article 3 is amended as follows: ... (b) the following points (n) to (r) are added: “(n) ‘zero-emission vehicle’ means a passenger car or a light commercial vehicle with tailpipe emissions of 0 g CO₂/km, as determined in accordance with the applicable EU type-approval procedure; (o) ‘vehicle label’ means a graphic diagram in printed or electronic form that complies with the requirements set out in this Regulation; (p) ‘point of sale’ means a location where vehicles are displayed or offered for sale or lease to potential customers, including trade fairs where vehicles are presented to the public; (q) ‘promotional material’ means any form of information in printed or electronic form, offline or online, used for sale or lease of vehicles or in the marketing, advertising or promotion of vehicles offered for sale or lease to the general public or a potential customer;	<i>Recital 12</i> It is appropriate to allow for a recognition of emissions savings from sustainable renewable fuels in the CO₂ standards, to provide further flexibilities for manufacturers and support investments in the development of the sustainable renewable fuel value chain. Such fuels will continue to play a role in the decarbonisation of transport. In order to support innovative technologies, the current framework under Directive (EU) 2018/2001 includes binding targets for advanced biofuels in transport. Progress in its implementation is made albeit slow. A review of the Directive (EU) 2018/2001 is planned for end 2026 assessing the progress made and the need for an update of the future bioeconomy framework. <i>During this review, the European Commission shall consider more ambitious renewable fuel targets for transport, and specifically for road transport, as well as a suitable fuel accounting system, to enable sufficient fuel allocation and flexibility for the deployment of VEEF vehicles (Vehicles Exclusively running on Eligible Fuels) and refuelling infrastructure.</i> <i>Article 3 (n); Article 3 (s) - new</i> (3) Article 3 is amended as follows: ... (b) the following points (n) to (s) are added: “(n) ‘zero-emission vehicle’ means a passenger car or a light commercial vehicle with tailpipe emissions of 0 g CO₂/km, as determined in accordance with the applicable EU type-approval procedure; <i>including VEEF, in accordance with Article 4(4) with an assigned WLTP value of 0 g CO₂/km</i> (o) ‘vehicle label’ means a graphic diagram in printed or electronic form that complies with the requirements set out in this Regulation; (p) ‘point of sale’ means a location where vehicles are displayed or offered for sale or lease to potential customers, including trade fairs where vehicles are presented to the public; (q) ‘promotional material’ means any form of information in printed or electronic form, offline or online, used for sale or lease of vehicles or in the marketing, advertising or promotion of vehicles offered for sale or lease to the general public or a potential customer; (r) ‘vehicle model’ means a group of vehicles belonging to the same type, variant and version as specified in Part B of Annex I to Regulation (EU) 2018/858.”;

(r) ‘vehicle model’ means a group of vehicles belonging to the same type, variant and version as specified in Part B of Annex I to Regulation (EU) 2018/858.”;	(s) ‘ <i>Eligible fuels</i> ’ (EF) means all fuels that comply with the feedstock, production and sustainability criteria set out in the Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources and its delegated and implementing acts, including future amendments and revisions.”
Justification: VEEF (also known as CNF – vehicles running exclusively on renewable fuels) should benefit from a zero-emission rating at the combustion phase, in line with the zero-rating principle already applied to those RED-compliant fuels under the EU Emissions Trading System Directive (EU ETS, Directive (EU) 2023/959). In addition, CNFs, as proposed, are fully consistent with the “zero-rated fuels” defined in Article 3(23d) of the Monitoring and Reporting Regulation (EU) 2018/2066, as amended by Regulation (EU) 2024/2493, which includes all biofuels, bioliquids, biomass fuels, synthetic low-carbon fuels, RFNBOs, and RCFs. Thus, vehicles exclusively using VEEF shall be considered “zero-emission vehicles (ZEVs)” with net tailpipe emissions equal to 0 g CO₂/km and be counted as such for the OEMs’ fleet average. All RED-compliant renewable fuels should fall within the pathways under a VEEF classification. In parallel, the coming revision of the RED must set out a more progressive and economically sustainable pathway for minimum GHG reduction targets for road transport fuels for 2030 and beyond.	

Amendment – VEEF vehicle category implementation

Article 4, new paragraph (4)	
<i>Text proposed by the Commission</i>	<i>ACEA Amendment</i>
	Article 4, new paragraph (4) (4) The specific CO₂ emissions of VEEF, as defined in Article 3(s), shall be 0 g/km for the purpose of this Regulation. [x months] after the adoption of this regulation and in accordance with Articles 14 and 15 of Regulation (EU) 2024/1257 on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7), the European Commission shall adopt an implementing act to introduce the requirements for the EU type-approval of light-duty VEEF. The type-approval of light-duty vehicles shall be permitted as from the entry into force of the implementing act. The implementing act referred to in this paragraph shall lay down the following: A. A practical methodology to enable the type-approval of light-duty VEEF regarding their exclusive use of eligible fuels. B. A pragmatic and flexible and safe inducement system to avoid the possibility for continuous mis-fuelling by the vehicle user. C. Requirements to address situations when light-duty VEEF would travel outside the EU and in cross-border transport. Accordingly, [x months] after the adoption of this regulation, the European Commission shall integrate VEEF in the Certificate of Conformity through an implementing act that will amend Regulation (EU) 2020/683. [x months] after the adoption of this regulation, when deemed necessary for the compatibility of state-of-the-art fuel monitoring systems with refuelling points, the European Commission shall be empowered to adopt implementing or delegated acts as defined in Article 20 of Regulation

	(EU) 2023/1804, and to request European standardization organizations to prepare any necessary European technical standards. In consideration that EF would replace the use of current fuels in road vehicles, the European Commission shall address any need to amend Directive 98/70/EC to ensure maximum compatibility of EF with new vehicles and the existing EU fleet, to the greatest extent possible. In that respect the European Commission may instruct CEN to amend existing fuel quality standards or prepare new standards.
<u>Justification:</u> It shall be ensured that COM receives all necessary mandates to develop a complete regulatory framework for VEEF vehicles that works in practice, including vehicle type approval under Euro 7, CoC updates for the type-approval framework regulation, and infrastructure requirements under AFIR, in order to secure future-proof digital solutions with vehicle x infrastructure communication.	