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European Clean Trucking Alliance

Ambitious targets to boost the supply of zero emission trucks and drive the transition of the logistics sector

Position paper of the European Clean Trucking Alliance on the revision of the HDV CO2 standards

Almost a quarter of the EU's road emission is caused by trucks in 2020, making up a total of 6% of the EU's emissions. In order to reach the EU's climate goals, the overwhelming majority of the emissions reduction will come from the sales of zero emission vehicles.

However, the sales of zero emission vehicles have stalled at a very low level because very few zero emission vehicle alternatives are currently available, especially for long-haul operations. The potential of zero emission trucks and buses to decarbonise the road freight sector is huge and offers economic and technological opportunities for the road freight transport sector. The ECTA supports the objective of the revision to first and foremost ensure alignment of the standards with the EU's climate ambition, meaning its -55% targets for 2030 as well as the overarching target of climate neutrality in 2050.

The ECTA sees the regulation on CO2 standards for HDVs as the most important tool to drive the transformation of the sector towards zero emission trucks. The ambition of the revision will determine whether and how Europe will advance the global race to decarbonise trucking. Importantly for actors in the freight and logistics sector, it will also dictate the level of supply of zero emission vehicles, meaning the extent to which transport companies are able to purchase these vehicles. The higher the ambition of the target, the more zero emission vehicles are produced and the more affordable they become.

The ECTA highlights the below recommendations for the European Commission for the revision of the HDV CO2 standards.

Strengthening the 2030 CO2 reduction target

Most major truck OEMs have announced plans to enter mass production for electric trucks, including long haul, already in the first half of the 2020s and aim at levels of zero emission vehicle (ZEV) shares in 2030 of approximately 50% (Scania, MAN, Volvo Truck and Renault Truck) or even up to 60% in 2030 for Daimler. The European Commission should consider targets in line with the highest industry announcements (combined with the best techno-economic potential for CO2 emission reduction of conventional trucks). This would translate into a 2030 target for the new vehicle sales in the different categories of:

- Medium lorries (7.5t -16t): 100% CO2 reduction
- Heavy lorries (>16t): 65% CO2 reduction

- Small lorries (3.5- 7.5t): 100% ZEVs.

(As small lorries are currently not monitored as part of the VECTO tool, they cannot be regulated with a CO2 target yet, and changes in the VECTO regulation are unlikely to be accomplished in time. A ZEV mandate allows for effective regulation of those vehicle classes instead.)

The deployment of infrastructure to recharge and refuel the vehicles is crucial for our industry to use and operate a large amount of zero emission vehicles in 2030. As such, it is essential that decision makers finalise the Alternative Fuels Infrastructure Regulation (AFIR) file and set ambitious targets to ensure that all zero emission trucks in the EU can operate seamlessly across the Union as of 2025.

A 2027 interim target to accelerate the supply of ZEVs already in the 2020s

As the transition to zero emission needs to swiftly accelerate already in the 2020s in order to reach sufficient scale in 2030, the ECTA urges the European Commission to put in place an intermediary target for new medium and heavy lorries in 2027 of 30% CO2 reduction.

Reaching close to 100% zero emission vehicles sales in the 2030s

In order to drastically increase the scale of production of zero emission vehicles for the transport industry also in the 2030s, the ECTA calls for

- a 100% zero emission target at the latest by 2030 for regional delivery lorries.
- a 100% zero emission target by 2035 for long haul lorries.
- a 100% zero emission target by 2040 for vocational vehicles.

This is necessary to reach the EU's 2050 climate neutrality target considering the vehicle lifetime of around 15 years. Vocational vehicles which are used i.e. for construction applications might need a few years more and could reach 100% zero emission in 2040.

Extension of the scope of the regulation to cover all vehicle groups

Vehicle classes currently not covered in the VECTO certification such as small lorries can be efficiently and effectively regulated with mandatory ZEV targets in 2027, 2030 and 2035 respectively. Hence, ECTA recommends a ZEV mandate for small lorries (3.5-7.5t) of 70% in 2027 and a 100% target in 2030 correspondingly.[1]

An effective zero emission mechanism

The current ZLEV mechanism is in place to accelerate the initial update and create an equally incentivising context for low as well as zero emission trucks. The ECTA sees the added value of having such a mechanism in place until 2030 and with an increased ambition of 15% from 2027 onward. Yet, it requires some modification to ensure it matches the current OEM developments in the heavy-duty segment and to safeguard a faster adoption of clean technologies by rewarding only future-proof technologies. This entails scrapping LEVs from the incentive and limiting the mechanism to vehicles with an electric range of > 200 km as well as increasing ZEV credit value for ZEVs with higher ranges (in order to incentivise the ramp up and availability of long haul zero emission trucks) and finally, including a malus for underperforming OEMs.

Other regulatory elements

[1] based on the ICCT study 'The CO2 standards required for trucks and buses for Europe to meet its climate targets. link

The pooling of resources should be assessed as an option. In either case it should only be authorised between small scale manufacturers together with one big OEM as it allows to significantly accelerate innovation and increases competition as the new market entrant companies which produce zero emission trucks on a smaller scale are incentivised and rewarded for their early action.

An exemption for small volume manufacturers with volume numbers in the range of >200 vehicles, as used in the German regulation, could be considered.

Efficiency standards for trailers

The energy efficiency potential of trailers and the associated GHG savings should be considered in the assessment on the basis of its cost- efficiency, CO2 emission reduction potential, and its impact on the vehicle volume and interior (which should not be harmed).

Revenues

Part of the revenue from excess emission premiums could be used to support the transition of the road freight sector to zero emission, including accelerating the deployment of zero emission HDV infrastructure across the EU. A fund to foster technology innovation in the freight transport sector should be created.

Investments in reskilling and upskilling

Continuous investment in reskilling and upskilling is needed to ensure the transition towards zero emission mobility as it requires new skills (manufacturing, repair and maintenance, etc.). So as to avoid job losses in Europe, it is key to develop initiatives such as the Automotive Skills Alliance and create education and training programs all over Europe.

Other challenges to be addressed separately

The need for renewable energy sources to charge and fill up zero emission trucks must be a priority for connecting files on energy taxation and production. In addition, even though the economic competitiveness of zero emission trucks looks very promising with TCO parity expected in the middle of this decade for electric trucks in specific Member States, the barrier of the high capital costs of vehicles remains a hurdle for some truck operators and particularly SMEs. Higher targets under the revision of the CO2 standards will allow for economies-of-scale which will lower the vehicle prices. But, law makers should consider additional support mechanisms (such as purchase incentives and loans) for transport companies to enable them to transition in the most time effective manner.

In short, the CO_2 standards are an effective tool to set the pace for the ZEV transition for truck OEMs as well as providing much needed certainty and visibility to companies operating in the freight and logistics sector. The European Commission has a unique opportunity to guide the zero-emission transition of the sector with ambition and foresight. The ECTA calls on the European Commission to seize this opportunity and propose an ambitious draft law which includes the recommendations laid out in this paper.

The European Clean Trucking Alliance

On behalf of,


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