



## Clean vehicles directive recast: how to make it work

Electro-mobility offers an unequalled solution to make Europe's transport more efficient, less dependent on imported energy, low carbon, clean and quiet. Public authorities can lead by example by buying clean vehicles over traditional ones.

Annual sales of vehicles to public authorities are close to 300.000<sup>1</sup>, while they only represent a small share of the total market in the M category (ca. 2 %)<sup>2</sup>, they cover a large part of the N category: these vehicles have a strong visibility and can demonstrate to the general public that e-mobility is not anymore a vision but a reality.

The Clean Vehicles Directive (2009/33/EC) adopted in 2009, was supposed to be a catalyst for the procurement of clean vehicles, but has failed to produce significant effects due to well-identified weaknesses such as the lack of a clear definition for "clean vehicles", an excessively complex monetisation methodology, a limited scope, the absence of clear targets, or the lack of accompanying measures for the purchase of low-emissions vehicles.

The directive recast is a chance to reshape this piece of legislation and make it more effective. It also comes at a time when climate and energy concerns have gained momentum, spurring new initiatives and commitments at the global level (Paris agreement), at the National level (announced phase-out of ICEs cars in France, the UK, Norway, Walloon region, etc.), down to the local level (Covenant of Mayors, C40). In terms of business economics, the cost of batteries for electric vehicles (EVs) and plugin hybrids (PHEVs) has dropped by 65% since 2010<sup>3</sup> and sales of EVs and PHEVs have now reached 1.1% of passenger cars in Europe.

This growing body of evidence shows that we are close to a tipping point. An ambitious legislative proposal now would decisively accelerate the transition to sustainable mobility, help in bringing down health-

---

<sup>1</sup> European Commission, [Impact Assessment On A New Approach For The Cleaner And More Energy Efficient Vehicles Directive Proposal](#), September 2007

<sup>2</sup> ICCT, [European Vehicle Market Statistics, Pocketbook 2016/2017](#), 2017

<sup>3</sup> BNEF, [Electric vehicles to be 35% of global new car sales by 2040](#), February 25 2016

threatening air- and noise-pollution levels in cities, impact the climate positively, and bolster the EU's innovation and industrial competitiveness in the transport sector.

The Platform for Electro-mobility considers that the directive needs to be revised, with three objectives in mind: 1) broadening its scope, 2) creating a simple and actionable definition of clean vehicles, 3) setting ambitious targets and transitory support measures.

### **1. Broaden the scope of the directive**

The current directive only tackles procurement of clean vehicles by public authorities and remains silent on other kind of provisioning (leasing, renting, subcontracting, etc.). Some Member States, such as Belgium, included leased vehicles when translating the directive into national law, while others did not, leaving a significant part of the public vehicles market outside of the scope of the directive.

In a similar fashion, the directive does not necessarily apply to tenders issued by public administrations which contain a major transport element, although good examples e.g. in Stockholm show that such an aim can be achieved. The European Commission (EC) should also explore the possibility of including type L vehicles in the directive as they can be suitable for specific public services such as postal delivery.

Taxi companies and other private transport companies are also spared from clean vehicles procurement obligations. It is probably more difficult to impose such requirements on private companies, even though some countries already took actions: France decided in January 2017 that taxi companies operating more than 10 vehicles would have to make sure that 10% of their new purchases are low-emission as of 2020<sup>4</sup>. As vehicles used by public authorities, this segment of vehicles is part of Europeans day-to-day life in large cities, and can evidence the benefits of electrification of transport.

**Key message:** the scope of the directive should be broadened to cover vehicles procured and leased by public authorities, tenders with a major transport element, and private operators providing transport services.

### **2. Remove the monetisation methodology and adopt a simple definition of clean vehicles**

To check if new vehicles qualify as “clean”, public authorities have to use a life cycle cost methodology, also called monetisation methodology which proved very theoretical in terms of the “savings” that could be achieved, too flexible in its implementation and too lax in terms of environmental parameters. As a result, it helped public authorities to buy diesel vehicles (EUROVI and EURO6) but hardly any electric or alternatively-fuelled vehicles. Even though EUROVI buses are an improvement compared to the oldest segments of the fleets, the purpose of the directive should not be to help public authorities comply with

---

<sup>4</sup> [Decree n° 2017-24](#)

environmental requirements, but to encourage them to procure the cleanest technologies available on the market.

The monetisation methodology has also proven to be too complex to be effective. The EC had to fund the “Clean Fleet project” to help public authorities understand it and apply it correctly<sup>5</sup>. To make the directive actionable, simplicity should prevail.

Different options could be considered to define clean vehicles. Combining several environmental parameters such as CO<sub>2</sub>, NO<sub>x</sub>, particulate matter in a new calculation method, or taking vehicles’ noise into account would be possible, but would complicate the methodology and make it less usable. Using life-cycle CO<sub>2</sub> emissions (well to wheel) would also be challenging as there is no commonly accepted methodology.

Consequently, the Platform for Electro-mobility recommends to define two types of clean vehicles based on tailpipe CO<sub>2</sub> emissions (tank to wheel): low-emission, and zero-emission. For low-emission vehicles and zero-emission vehicles, a CO<sub>2</sub> tailpipe emissions threshold is a simple and handy tool:

- easy to understand,
- can be revised downwards to follow technological progress,
- low CO<sub>2</sub> emissions come together with low NO<sub>x</sub>, SO<sub>x</sub> and particulate matter emissions.

The definition of a “clean vehicle” should also be tailored to the specificities of different types of vehicles. For cars and vans, the definition should be based on CO<sub>2</sub> type approval value. For HDVs and buses, a threshold should be set as soon as the VECTO tool is ready, in the meantime, a list of technologies considered as low-emission (e.g. PHEVs) or zero-emission (e.g. BEVs) should be established.

#### Key messages:

- Due to its complexity, the monetisation methodology should be removed from the directive.
- A CO<sub>2</sub> tailpipe emission threshold is the simplest and most effective way to define a « clean vehicle ».
- Different CO<sub>2</sub> tailpipe emission thresholds should be set for different types of vehicles. For HDVs and buses, a list of technologies should be considered as low-emission and zero-emissions while the VECTO tool is being finalised.

### 3. Clear targets supported by accompanying measures for public authorities

In the energy sector, targets for the deployment of renewable energy sources, along with technological progress and financial support schemes have steered technology development, driven down cost and lowered CO<sub>2</sub> emissions. Procurement targets for contracting authorities could have a similar effect on the transport sector and give a clear investment signal to industries and help the public authorities lead by example.

---

<sup>5</sup> <http://www.clean-fleets.eu/>

Imposed procurement targets on all public authorities, or a limited set of them, appears difficult to apply and monitor. Similarly, setting a minimum share of clean vehicles for each new public contract may also go against the need of public authorities: some public authorities may have very specific needs, or may progressively decarbonize their fleet through retrofitting.

As an alternative, the Platform for Electro-mobility suggests to set binding targets at European and National level, i.e. an overall EU target would be broken down into specific national targets, giving each Member State flexibility to take appropriate measures for its own public sector, taking into account various stages of clean vehicles market development. The target should be:

- Ambitious – 100% of the new vehicles procured by public authorities should be “clean” by 2030. This would complement the EC’s objective of achieving CO<sub>2</sub>-free city logistics in major urban centres by 2030<sup>6</sup>.
- Binding and predictable - in addition to 2030 targets, regular milestones should be set at National level to track progress towards the target.
- Reflective of Member States’ financial capacity – national trajectories should be linked to each Member State’s growth domestic product.
- Tailored for different categories of vehicles – so as to reflect the current technological developments of low and zero emission technology for light duty vehicles, buses, and heavy duty vehicles.

The Platform for Electro-mobility sees the CVD revision as an essential part of a package of measures to decarbonize transport during the next multi-annual financial framework period. Implementation – i.e. the purchase of modern vehicles and related infrastructure - should be supported by appropriate national and European financing and funding mechanisms, by capacity building amongst procurers as well as specific support to enable procurers to build alliances to achieve better market conditions in the clean vehicle market. For instance, a fund could be created to cover the cost difference between a traditional vehicle and a clean one, following the example of the “low emission bus scheme” in the UK.

**Key message:** binding targets should be set at European and National level with the aim of procuring clean vehicles only by 2030. To meet this goal, financial support should be granted to public authorities replacing old vehicles by clean new ones.

---

<sup>6</sup> European Commission, “[Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system](#)”, March 2011