



Views on the Clean Vehicles Directive recast

February 2018

The Platform for electro-mobility welcomes the European Commission (EC) proposal to amend Directive 2009/33/EU on the promotion of clean and energy-efficient road transport vehicles in public procurement, and considers it holds potential to set the transport sector on a course to swift decarbonisation and improved air quality in urban centres.

Indeed, **CO₂ emissions in the transport sector represent today more than a fourth of the total European CO₂ emissions, and growing¹**. Beyond greenhouse gas emissions, local air pollution is also a major human health concern, with up to 30 % of Europeans living in cities exposed to air pollutant levels exceeding EU air quality standards². The European Environment Agency recently published a study showing that close to 400.000 premature deaths were occurring in Europe every year due to air pollution³. Conventionally fuelled road transport is the largest source of NO_x (46% of total EU emissions) and particulate matter⁴.

Noise impact is also a growing public health concern. According to the European Environment Agency, exposure to environmental noise contributes to at least 900.000 additional cases of hypertension, 43.000 additional hospital admissions and to 10.000 premature deaths, each year. Almost 90% of the health impact caused by noise exposure is associated with road traffic noise⁵. In economic terms, noise from road and rail traffic is estimated to cost the EU €40 billion per year.

Policy action is needed, and the CVD could have positive effects on climate, health, and European industry competitiveness, if ambitions were set high enough. Against that background, **the Platform for electro-mobility encourages the European Parliament and the Council of the European Union to build upon the proposal of the European Commission and deliver a bolder text with higher targets and a broader scope**, while ensuring that this does not lead to a reduction of the level and quality of public transport services.

¹ <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases/transport-emissions-of-greenhouse-gases-10>

² <https://www.eea.europa.eu/media/infographics/air-pollution-exposure-in-cities/view>

³ <https://www.eea.europa.eu/publications/air-quality-in-europe-2017>

⁴ <https://www.eea.europa.eu/highlights/stronger-measures-needed>

⁵ <https://www.eea.europa.eu/publications/noise-in-europe-2014>

Moreover, because vehicles are one part of the whole transport system, the Platform for electro-mobility calls for complementary measures and adaption of existing regulation to **support the deployment of an adequate recharging infrastructure** and accelerate electrification of transport⁶.

Public procurement targets should boost electric vehicles uptake, not lag behind the market

The CVD includes in its annex a series of targets for the procurement of clean vehicles by public authorities, in 2025 and 2030. The Platform for e-mobility believes targets are pivotal to send a clear investment signal to public authorities and private companies alike, while ensuring policy coherence Union-wide.

These targets should not compromise the level of public services already provided today, instead they should place public authorities at the forefront of the clean transport transition, and demonstrate to the general public that clean mobility is not a vision but a practical option. Unfortunately, **the EC proposal would merely encourage public authorities to follow the market rather than precede it, giving a negative signal to the industry and not responding to growing citizen concerns** about air quality and health issues:

- For cars and vans, the most advanced Member States would have to reach a 35% clean vehicles target by 2030. This corresponds approximately to the expected market share of new electric vehicles at that point in time. Bloomberg New Energy Finance predicts a 30% market share in Europe⁷, the Clean Energy Ministerial also anticipates 30% of all new sold vehicles to be electric⁸, while Barclays Equity Research envisions a 40% share. If the CVD targets are maintained as is, there is a risk public authorities will lag behind general market development, which in turn will act to undermine the very objective of the CVD, which is to stimulate the market for clean, energy-efficient vehicles. Consequently, the targets should be raised to 100%.
- For buses, most advanced Member States would have to reach a 75% target for electric, hydrogen and gas buses by 2030. Considering a growing number of studies^{9,10} suggests that the total cost of ownership (TCO) of electric buses is close to reaching the one of traditional combustion engine vehicles, and anticipating on cost reduction and solving of operational challenges, the targets for 2030 could be increased to 100%.
- For trucks, the CVD also seem to set a low bar, in light of manufacturers now adding electric vehicles to their portfolio, at least for the light and medium-size truck segments. Consultancies,

⁶ <http://www.platformelectromobility.eu/wp-content/uploads/2016/11/Platform-Position-Paper-Electric-Infrastructure.pdf>

⁷ Bloomberg New Energy Finance, [Electric Vehicle Outlook 2017](#), July 2017

⁸ <http://www.cleanenergyministerial.org/Rollup-Tests/new-cem-campaign-aims-for-goal-of-30-new-electric-vehicle-sales-by-2030-85201>

⁹ [KPMG True Value Case Study](#), 2015

¹⁰ Columbia University, Earth Institute, [“Going Electric Adds up to a Good Idea for NYC Buses”](#), 31 May 2016

such as McKinsey, forecast light e-trucks to reach cost parity with diesel trucks in Europe by 2021, and medium trucks shortly after¹¹. Only the heavy duty trucks market is expected to reach cost parity after 2027. As public companies usually rely on light or medium trucks in urban areas, they would have no economic reasons to procure other than clean vehicles by 2030.

In view of current market trends and concerns for urban pollution, **the platform for electro-mobility believes all new vehicles procured by public authorities in 2030 should be clean**. To provide the industry with some market certainty and to encourage public authorities and Member States to set up the right financial and legal framework as soon as possible, **an intermediary target should also be set for 2025**.

Private transport companies and last-mile delivery are also part of the solution

Increasing the number of clean vehicles operated by public authorities as proposed in the CVD is a good step to tackle the air pollution issue. However, **impact would be greater if private fleet operators, i.e. taxi companies, last-mile delivery, or car rental companies, were also covered by new obligations**. This provision would help the EC reach the European objective of achieving CO₂-free city logistics in major urban centres by 2030.

Such kind of obligation already exists in Europe: a French law¹² mandates taxi companies and rental car companies to make sure 10% of their newly purchased cars are “clean” by 2020. Private initiatives also go in the same direction, for instance, in 2015 several taxi companies from France, Belgium and Canada banded together through the “Taxi4ForSmartCities” initiative¹³, and committed to lower significantly their GHG emissions.

As for last mile delivery, the project “Freight Electric Vehicles in urban Europe”¹⁴ has shown that replacing only 10% of the freight vehicles in cities would deliver noticeable savings and benefits. **There are thus compelling reasons to extend the scope of the CVD beyond vehicles procured by public authorities**.

Targets should be reached through fair tendering procedures

Today, the European industry faces growing competition from third countries with which market access reciprocity is not ensured. Some tools already exist to mitigate that risk, such as article 85 of the Directive 2014/25/EU¹⁵, which allows rejecting any offer where the proportion of products originating from such countries exceeds 50% of the total value of the products constituting the tender.

¹¹ <https://www.mckinseyenergyinsights.com/insights/new-reality-electric-trucks-and-their-implications-on-energy-demand>

¹² [Loi n°2015-992 relative à la transition énergétique pour la croissance verte](#), [Decree n° 2017-24](#)

¹³ <http://climateinitiativesplatform.org/index.php/Taxi4SmartCities>

¹⁴ www.frevue.eu

¹⁵ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

In view of this, the Platform for electro-mobility would like to remind all stakeholders that procuring clean vehicles is only one building block of a more environmentally-friendly, economical and socially sustainable transport system. Beyond procurement targets, tender specifications may be defined not only with a focus on Total Cost of Ownership (TCO) but also on other vehicles characteristics, such as accessibility, insertion in urban landscape, noise levels, energy efficiency as well as recyclability of batteries and vehicle components, using the MEAT criterion.

As a consequence, **the importance of fair and transparent tendering procedures should be better reflected in the clean vehicles directive.**

A signal in favour of clean mobility is needed - now - to preserve Europe's competitiveness

The clean mobility package must be considered as a whole to deliver its full benefits to Europeans. While CO₂ emission performance standards set long term goals for the automotive industry, the "Eurovignette" directive facilitates the collection of levies to fund infrastructure, and the AFI directive is supposed to accelerate the deployment of a charging infrastructure. In this context, the purpose of the CVD is to kick-start the clean vehicles market.

These proposals are mutually reinforcing, and the CVD should not be side-lined in favour of other pieces of legislation perceived as more critical. The European automotive industry is progressively embracing electrification of transport, but to preserve its competitiveness and make sure investment decisions benefit European growth and jobs, the CVD should be adopted swiftly, before the European Parliament and the European Commission are renewed.

As a matter of example, in 2016, 160.000 electric buses were sold in China, while only 1273 were operated in Europe¹⁶. This gap stems from the support measures taken by China, and other countries in Asia, to support electric mobility: in the past few years China, South Korea and India have been providing grants of up to €100.000 per electric bus purchased.

Europe can only catch up with clear objectives, and transitory support measures to help relevant public authorities and transport operators invest on both the vehicle and infrastructure side and properly train transport professionals operating clean vehicles.

¹⁶ Zeeus Project, [Zeeus ebus report #2– an overview of electric buses in Europe](#), October 2017