Danish Ministry of Climate, Energy and Utilities

The Danish Government's response to the public consultation on the revision of the Regulation setting CO_2 Emissions Performance Standards for new passenger cars and new light commercial vehicles

Denmark strongly welcomes the European Commission's plan to present a proposal for a revision of the Regulation setting CO_2 Emissions Performance Standards for cars and vans.

The transport sector accounts for almost a quarter of all EU greenhouse gas emissions, and road transport alone is responsible for a fifth of the emissions in the EU. Taking into account that transport is the only economic sector whose greenhouse gas emissions is still increasing, ambitious and swift action is needed to spur the transition necessary to reach the EU's increased 2030 target and climate neutrality by 2050. In addition, the sector is the main cause of air pollution in our cities.

As the average lifespan of light duty vehicles is approximately 15 years, the CO_2 emissions standards for cars and vans will affect the development of the EU's transport sector until at least 2045. Consequently, it will be crucial to adopt legislation that is fully in line with the EU's climate objectives and provides certainty for manufactures, investors, consumers, and citizens by clearly signaling the transition towards zero-emission road transport.

Denmark therefore encourages the European Commission to present a concrete plan with proposals for policy initiatives and incentives for the transition to zero-emission vehicles. An ambitious and cost-effective framework with coherent policies and regulation is needed to support an accelerated and balanced shift towards zero-emission vehicles as well as to create predictability for the industry. In this regard, Denmark also welcome the Commission's announcement that the Commission in the coming months will assess at what point in time the availability of cars with internal combustion engines should cease to be available on the market. In order to facilitate the necessary and timely transition of the road transport sector towards zero-emissions mobility, the phase out of the sale of new petrol and diesel cars should be scheduled for 2030 at the latest.

It will be key that the EU does not impede the green transition – but facilitates it. Thus, Member States must be allowed to take the lead and take steps at national level to prohibit the sale of new petrol and diesel cars.

To ensure the necessary transition over the coming years, the EU must overcome the obstacles to the transition towards zero-emission road transport and the uptake of zero-emission passenger cars and vans needs to accelerate significantly.

CO_2 emissions targets
A revision of the regulation setting CO_2 emissions performance standards for new passenger cars and new light commercial vehicles should include a thorough examination of which elements in the current legislation that can be strengthened to ensure more ambition – from the CO_2 emissions targets, the incentive mechanism, the pooling mechanism and to the various derogations. With the transition towards zero-emission road transport in mind it is clear that the current CO_2 emissions targets must be strengthened significantly – both in 2025 and 2030 – and that the regulation must include a phase-out date or target year for the sale of new petrol and diesel cars.

The incentive mechanism for zero-emission and low-emission vehicles
The current incentive mechanism for zero- and low-emission vehicles in the regulation should be improved. First, the incentive should mainly be focused on zero-emissions vehicles. Second, it will be key that the combination of the proposed levels of fleet-wide targets and benchmarks for zero-emissions vehicles will create the necessary incentive for technological advancement as well as uptake. Part of the solution could for example be to replace the current one-way adjustment system (bonus) for zero- and low-emission vehicles by a two-way adjustment design (bonus-malus). This would provide a clear incentive for manufacturers to prioritise technological development.

It could also be examined if it is possible to address a situation where increased uptake of zero-emission vehicles due to political decisions and regulation affecting the demand side would result in corresponding or higher emissions elsewhere in the EU, for example by omitting these from the incentive mechanism.

A mechanism taking into account the contribution of renewable and low-carbon fuel
Currently renewable and low-carbon fuels are regulated under the Fuel Quality Directive and Renewable Energy Directive II contributing with greenhouse gas reductions from fossil-based fuels used in petrol and diesel vehicles. Allowing a mechanism to take into account contributions from renewable and low-carbon fuel in the CO_2 emissions standards could lower the incentives to develop and produce zero-emissions vehicles. Therefore, the option should not be included but regulated as a separate and transitionary regulation on the road to climate neutrality.

Use of revenues from excess emission premiums
The excess emissions premiums to be paid by manufacturers if their average specific emissions of CO_2 exceed their targets must continue entering the general budget of the Union as other revenue and thereby be part of the overall prioritisation of expenditure in the general budgetary procedure.

Strengthening of infrastructure for zero-emission mobility
The transition towards zero-emission vehicles will require concrete action ensuring an extensive rollout of public infrastructure supporting zero-emission vehicles. These measures should include inter alia a widespread deployment of public re-charging and refuelling points for alternative fuels. Furthermore, ambitious revi-sions of the TEN-T and TEN-E Regulation will be needed.

Denmark supports the Commission's intention to strengthen the Emissions Trading System (ETS) and to extend it to cover emissions from road transport and heating in buildings. Extending the ETS to these sectors will create a uniform price signal across sectors, making zero- and low-emission mobility financially more attractive while improving the overall cost-effectiveness of the EU's climate efforts.

However, extending the ETS to emissions from road transport cannot stand alone. Ambitious and cost-effective policies and regulation at EU level are also required to drive emission reductions. The Regulation setting CO_2 Emissions Performance Standards plays a vital role in this regard.