



Department
for Transport

Guidance for Manufacturers on *the New Heavy Duty Vehicles (Carbon Dioxide Emissions Performance Standards) (Amendment) (EU Exit) Regulations 2020*



September 2019

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1. Disclaimer

- 1.1 This document is intended to provide manufacturers of Heavy Duty Vehicles that are registered in the United Kingdom after 31 December 2020 with the information that they require to meet their obligations under domestic Heavy Duty Vehicle CO₂ emissions regulations.
- 1.2 Whilst this document seeks to provide general guidance on the relevant regulations, this should not be construed as a definitive view or as a legally binding document. Ultimately the interpretation of the regulations is a matter for the United Kingdom judiciary. Where appropriate, manufacturers should obtain their own legal advice.

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2. Legislation

- 2.1 The Heavy Duty Vehicles (Emissions and Fuel Consumption) (Amendment) (EU Exit) Regulations 2019 statutory instrument (SI) were made in April 2019. This SI was drafted as part of the UK preparations for withdrawal from the European Union (EU) without a deal in March 2019. This SI corrected for deficiencies arising as a result of Regulation (EU) 2018/956 being retained in UK law following a no deal exit from the EU. This SI will now on be referred to as 'SI 2019' throughout this document. You can find SI 2019 by following this link: <https://www.legislation.gov.uk/ukdsi/2019/9780111182178/contents>
- 2.2 The New Heavy Duty Vehicles (Carbon Dioxide Emission Performance Standards) (Amendment) (EU Exit) Regulations 2020 SI were made in December 2020. This SI corrected for deficiencies arising as a result of Regulation (EU) 2019/1242 and Regulation (EU) 2018/956 being retained in UK law following the end of the transition period. This SI also corrected SI 2019 to reflect subsequent changes at EU level to Regulation (EU) 2018/956 following SI 2019 being made. This SI will now on be referred to as 'SI 2020' throughout this document. You can find SI 2020 by following this link: <https://www.legislation.gov.uk/ukdsi/2020/9780348213416/contents>
- 2.3 SI 2020 was made following a full public consultation that ran from 10 July to 21 August 2020, and following specific engagement with affected industry stakeholders. 11 responses were received, all from automotive stakeholders or private individuals. The public consultation, and the Government response to that consultation, can be found by following this link: <https://www.gov.uk/government/consultations/regulating-co2-emission-standards-for-new-heavy-duty-vehicles-after-transition>

3. Introduction

EU CO₂ emission reduction standard Regulations

- 3.1 In 2019, EU Regulations were agreed and adopted, establishing the first carbon dioxide (CO₂) emissions targets for some newly registered Heavy Duty Vehicles across the EU.
- 3.2 These Regulations establish EU-wide CO₂ emission reduction targets for manufacturers registering Heavy Duty Vehicles within the EEA (minus Switzerland) market. These fleet level emissions reduction targets are currently set at 15% by 2025 and 30% by 2030, against a 2019/2020 baseline.
- 3.3 The targets only apply to the average of the manufacturer's fleet, so there is no upper limit of CO₂ emissions that any individual vehicle must be below. Vehicles with emissions above the manufacturer's target may be sold provided that these vehicles are 'balanced out' by cleaner vehicles with emissions below the target.
- 3.4 Flexibilities exist in the regulations that manufacturers may take advantage of.

EU Exit

- 3.5 The UK has now left the EU, and the transition period ended on 31 December 2020. To provide certainty to industry during the UK's withdrawal, Parliament agreed the European Union (Withdrawal) Act 2018 (Withdrawal Act). This Act converted all directly applicable EU law into UK legislation at the end of the transition period.
- 3.6 Provisions within the Withdrawal Act allowed for secondary legislation to be made to correct for inoperabilities and deficiencies arising within this retained legislation. Specifically, it allowed the Government to correct provisions within EU law that do not function correctly purely as a result of the legislation being retained in UK law.
- 3.7 This legislation applies UK-wide. HDVs were not included as a provision in the Northern Ireland protocol, so all newly registered HDVs anywhere in the UK fall under the provisions of this legislation.
- 3.8 Two statutory instruments, SI 2019/846 (SI 2019), and SI 2020/1402 (SI 2020), were subsequently made to correct inoperabilities and deficiencies arising from retaining EU Regulation 2019/1242, and EU Regulation 2018/956 (covering the monitoring and reporting of data from new Heavy Duty Vehicles) in UK law.
- 3.9 These Regulations, along with the above two SIs, now regulate CO₂ emissions from newly registered HDVs in the UK.

Retained EU Regulations

3.10 The following EU regulations pertaining to new HDV CO₂ emissions standards were retained in UK law on 31 December 2020, and subsequently amended by either SI 2019/1242 or SI 2020/1402:

- 2018/956
- 2019/1242

3.11 Where this guidance refers to the above EU regulations, it is referring to the regulations as they have been amended by either SI 2020/1402 or SI 2019/846.

Additional Legislation

3.12 The following Regulation was retained at the point of the UK's withdrawal from the European Union, however, was not be amended by SI 2020. This is due to the date of adoption in the EU being after the date that SI 2020 was laid before Parliament, and therefore could not be included in the statutory instrument. This regulation will be amended when it is practicable to do so, and this guidance document will be updated accordingly.

- 2020/1589 - amending Annex I to Regulation 2018/956. This has been retained in UK law, for more details see paragraph [6.8](#).

4. Purpose of the guidance

- 4.1 This guidance has been produced by the Department for Transport and Vehicle Certification Agency (who are 'the enforcement authority' on vehicle CO₂ regulation). This document is intended to provide manufacturers of Heavy Duty Vehicles that are registered in the United Kingdom after 1 July 2020 with the information that they require to meet their obligations under domestic Heavy Duty Vehicle CO₂ emissions regulations.
- 4.2 Whilst this document seeks to provide general guidance on the relevant regulations, this should not be construed as a definitive view as ultimately the interpretation of the regulations is a matter for the United Kingdom judiciary.
- 4.3 Where appropriate, manufacturers should obtain their own legal advice.
- 4.4 This document will be kept under review and may be amended from time to time based on user experience and feedback and changes to the regulatory regime.

Who is this guidance for?

- 4.5 This guidance is aimed at vehicle manufacturers that register new vehicles with the DVLA for use in the UK. This will include vehicle manufacturers who are based outside of the UK but import vehicles for use in the UK.

Who is the manufacturer?

- 4.6 As defined in Regulation 2019/1242, the manufacturer is the 'person or body responsible for submitting the data related to new heavy-duty vehicles pursuant to Article 5 of Regulation (EU) 2018/956 or, in the case of zero-emission Heavy Duty Vehicles, the person or body responsible to the approval authority for all aspects of the EC whole vehicle type-approval procedure or of the individual approval procedure in accordance with Directive 2007/46/EC and for ensuring conformity of production'.
- 4.7 In the UK, a 'provisional' type approval system currently applies in respect of vehicles registered in the UK. This means that a vehicle must first obtain EU type approval, and this can then be converted into 'provisional' type approval in the UK.
- 4.8 In the case of Heavy Duty Vehicles therefore, the person or body responsible for obtaining that EU type approval shall be considered to be the manufacturer in respect of the UK CO₂ emissions regulation.
- 4.9 It is expected that the UK will move to a full type approval system over time. This definition will be subject to review when this new type approval system is developed.

Key Contacts

- 4.10 The contact point for all policy matters is the Department for Transport:
environmental.strategy@dft.gov.uk
- 4.11 The contact point for any operational or enforcement matters is the Vehicle Certification Agency: fleetaverage@vca.gov.uk
- 4.12 Section 13 of this document outlines further contact details should you need them.

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5. Information to be provided by manufacturers

- 5.1 The EU data collection regime was transferred and adapted into UK law at the end of the transition period. As a result, the UK data collection requirements currently remain the same as under the EU system. As before, manufacturers are required to report the data specified in point 2 of Part B of Annex I of Regulation (EU) 2018/956 as amended by SI 2020 and the UK government will collect from manufacturers the data under Part A of Annex I of Regulation (EU) 2018/956, primarily through the vehicle registration process. This section details how these processes will work.
- 5.2 Where vehicles do not have a full certificate of conformity, for example due to derogations, manufacturers must still provide what data they have. Where there is insufficient data to calculate the CO₂ target, it will not be included in the target.
- 5.3 If an original vehicle is brought to the UK from the EU within 3 months, it is classed as new in the UK under the UK regime and is therefore counted in the UK data submission. If it arrives from the EU after the three months, it is not classed as new in the UK and counts towards the EU targets. If it is a multi-stage build, this refers to the original stage registration date.
- 5.4 During multistage builds, bodybuilders are not required to report additional CO₂ calculations for the bodywork. All the relevant data will be reported by original manufacturer.

Data under Part A of Annex I of Regulation (EU) 2018/956

- 5.5 As under the previous EU system, the enforcement process begins with manufacturers being required to report the data specified in point 2 of Part B of Annex I of Regulation (EU) 2018/956 as amended by SI 2020, for each new Heavy Duty Vehicle. This will now be reported to the UK enforcement body (the VCA).
- 5.6 By 30 September each year, starting in 2021, manufacturers must report to the VCA the data specified in point 2 of Part B of Annex I, for each new Heavy Duty Vehicle with a date of registration falling within the preceding reporting period of 1 July to 30 June.
- 5.7 The date of registration must be the date reported in accordance with data entry 71 in point 2 of Part B of Annex I.
- 5.8 Each manufacturer must appoint a contact point for the purpose of reporting data in accordance with this Regulation.
- 5.9 It is expected that the above information may change over time. Manufacturers must notify the VCA at the earliest possible opportunity of any changes to avoid any issues with calculating specific emissions of CO₂ performance or with the notification of a provisional data set.
- 5.10 The above information should be delivered to the Vehicle Certification Agency's address: Fleet Average CO₂ Emissions, VCA Headquarters, 1 Eastgate Office

Centre, Eastgate Road, Bristol, BS5 6XX and electronically to fleetaverage@vca.gov.uk and environmental.strategy@dft.gov.uk.

5.11 If the above information is not provided by manufacturers, the following circumstances shall apply:

- Where the name of the manufacturer or the first section of the VIN is not provided, the VCA shall use other data sources such as the name on Certificate of Conformity or in type approval documentation to complete the detailed monitoring data.
- Where a relevant name, address and email address is not provided, the VCA will use existing resources to locate a relevant contact. The responsibility will lie with manufacturers to ensure that any information sent to them is handled correctly and by the correct contact.

5.12 The information provided to the DVLA during the registration process will not be changed by SI 2020. Both the DVLA and the VCA are arms-length bodies of the Department for Transport. There is no new requirement to send the information to the Department again where it has been given to the DVLA during registration.

Data under Part A of Annex I of Regulation (EU) 2018/956

5.13 The Department for Transport will collect the majority of data in Part A of Annex I as it has done previously. However, Regulation (EU) 2020/1589 amended these data requirements shortly prior to the end of the transition period. Regulation (EU) 2020/1589 was retained in UK law following the end of the transition period, and as the requirements are new, they are not covered by the existing system.

5.14 This table provides a breakdown of the data, how it will be collected in 2021/22 and how it will be collected in the long run:

Item	Description of data to be reported	Data submission in 2021/2 onwards	Future data submission system
(a)	Vehicle Identification Numbers of all new Heavy Duty Vehicles (as referred to in points (a) and (b) of the second paragraph of Article 2 that are registered in a MS)	Data already provided to the DVLA through the vehicle registration process, no action needed	
(b)	Manufacturer name	Data already provided to the DVLA through the vehicle registration process, no action needed	
(c)	Make (trade name of manufacturer)	Data already provided to the DVLA through the vehicle registration process, no action needed	
(d)	for vehicles registered until 31 December 2019 where available, and for vehicles registered from 1 January 2020 in all cases, the code for the bodywork as specified in entry 38 of the Certificate of Conformity, including, where applicable, the supplementing digits	Some data already provided by manufacturers at registration. No action needed at this time	We are working with departmental colleagues to be able to collect this extra data through an existing process
(e)	in the case of the Heavy Duty Vehicles referred to in point (a) of the second paragraph of Article 2, the information on the	Some data already provided by manufacturers at registration. No	We are working with departmental colleagues to be able to collect this

Item	Description of data to be reported	Data submission in 2021/2 onwards	Future data submission system
	powerplant specified in entries 23, 23.1 and 26 of the Certificate of Conformity	action needed at this time	extra data through an existing process
(f)	for vehicles registered from 1 January 2020, the maximum speed of the vehicle as specified in entry 29 of the Certificate of Conformity	Not currently collected by the government, but no action needed from manufacturers	We are working with departmental colleagues to be able to collect this extra data through an existing process
(g)	for vehicles registered until 30 June 2021 where available and for vehicles registered from 1 July 2021 in all cases, the stage of completion , as indicated in the chosen model of the Certificate of Conformity in accordance with point 2 of Annex IX to Directive 2007/46/EC	Not currently collected by the government, but no action needed from manufacturers	We are working with departmental colleagues to be able to collect this extra data through an existing process
(h)	the vehicle category as specified in entry 0.4 of the Certificate of Conformity	Data already provided to the DVLA through the vehicle registration process, no action needed	
(i)	for vehicles registered until 31 December 2020 where available and for vehicles registered from 1 January 2021 in all cases, the number of axles , as specified in entry 1 of the Certificate of Conformity;	Data already provided to the DVLA through the vehicle registration process, no action needed	
(j)	technically permissible maximum laden mass , as specified in entry 16.1 of the Certificate of Conformity.	Data already provided to the DVLA through the vehicle registration process, no action needed	
(k)	for vehicles registered until 31 December 2021 where available and for vehicles registered from 1 January 2022 in all cases, the imprint of the cryptographic hash of the manufacturer's records file as specified in entry 49.1 of the Certificate of Conformity; for vehicles registered until 30 June 2025 Member States may report only the first 8 characters of the cryptographic hash.	Manufacturers already submit to the VCA included in the data in Part B of Annex I	We are working with departmental colleagues to be able to collect this extra data through an existing process in the future
(l)	for vehicles registered until 30 June 2021 where available and for vehicles registered from 1 July 2021 in all cases, the specific CO₂ emissions as specified in entry 49.5 of the Certificate of Conformity	Manufacturers to submit to the VCA alongside data in Part B of Annex I, at the end of the reporting period	We are working with departmental colleagues to be able to collect this extra data through an existing process in the future
(m)	for vehicles registered until 30 June 2021 where available and for vehicles registered from 1 July 2021 in all cases, the average payload value as specified in entry 49.6 of the Certificate of Conformity	Manufacturers already submit to the VCA included in the data in Part B of Annex I	We are working with departmental colleagues to be able to collect this extra data through an existing process in the future
(n)	the date of registration	Data already provided to the DVLA through the vehicle registration process, no action needed	

Table 1 Data to be provided by manufacturers under Part A of Annex I

- 5.15 As shown in the above table, all but three of the data points are already collected through existing channels or no action is needed by manufacturers at this time.
- 5.16 Three data fields: (k) the imprint of the cryptographic hash of the manufacturer's records file, (l) the specific CO₂ emissions and (m) the average payload value, are not currently collected by the department for transport but will be needed to be provided by manufacturers each reporting year. The new VCA database, which will be accessed via a portal on the VCA website, will capture this information for the next few reporting years. All data can be provided alongside the other data submitted at the end of the reporting year.

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6. Monitoring and reporting of emissions data

- 6.1 This section explains the flows of information that are required with regard to the monitoring and reporting of vehicle registration and CO₂ emissions data, through to the publication of final performance by manufacturers against CO₂ targets, the issuing of excess emissions penalties and the rights of manufacturers in respect of any penalties.
- 6.2 Through SI 2020, the Government has attempted to ensure that these flows of information will remain, as far as possible, the same as under the European regime, with the obvious exception that the VCA will be enforcing the UK-only regime rather than the European Commission.

Process - Driver Vehicle Licencing Agency (DVLA) to VCA

- 6.3 As is the case now, manufacturers will be required to register new vehicles with the DVLA in order to receive a registration number and to ensure that the vehicle can legally be driven on UK roads.
- 6.4 At the end of each calendar year, the DVLA will transmit the information of all newly registered Heavy Duty Vehicles to DfT.
- 6.5 DfT will format this information to ensure that the data provided is consistent, formatted correctly and contains all of the information required under SI 2020. DfT will then pass this data to the VCA by 30 September of the following year e.g. the 2021 dataset must be transmitted to the VCA no later than 30 September 2022.

Data points to be provided

- 6.6 The process for registering a vehicle remains unchanged as a result of this legislation. There will be updates to the registration system in the future
- 6.7 All of the information that was previously provided to the European Commission by DfT will now instead be provided to the VCA by DfT. A full list of the data points required can be found in Regulation 2018/956 as amended by SI 2019 and SI 2020.
- 6.8 EU regulations 2019/1242 and 2019/1589, which came into force in September 2020 require further data to be collected. These were both retained in UK law as of 31 December 2020. Together, this means that there are 14 data fields in Regulation 2018/956 Annex I Part A which must be captured/reported. Most of this data is already captured during the DVLA registration process, however, not every data field is captured through this method. The VCA will be collecting this data alongside manufacturer's normal annual data submission. Details of manufacturers reporting requirements can be found in section 5.

Publication of the dataset

- 6.9 Following the transmission of the 'raw' vehicle registration data to the VCA, they will have a 7-month period in which they will be tasked with calculating, if relevant:
- the provisional CO₂ emissions target for the reporting period for each manufacturer;
 - the actual CO₂ emissions performance of each manufacturer;
 - the difference between the two figures and whether the manufacturer has met their emission target.

- 6.10 This dataset shall be notified to manufacturers by 30 June of the following year and shall also be published online on the VCA website:

<https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring/>

The online dataset shall have certain information redacted in line with GDPR requirements e.g. the VIN.

- 6.11 The notification to manufacturers, detailing the calculations under paragraph 6.9 for each manufacturer, where applicable, shall be sent to the nominated contact point provided in accordance with section 5.8 of this guidance document.

Excess Emissions Premiums

- 6.12 From 2025, if a manufacturer has exceeded their emissions target, they will be issued with an excess emissions premium.

- 6.13 The excess emissions premium will be issued in the form of a civil penalty.

- 6.14 The amount payable will be:

from 2025 to 2029,

(Excess CO₂ emissions premium) = (Excess CO₂ emissions × £3,830/gCO₂ /tkm)

from 2030 onwards,

(Excess CO₂ emissions premium) = (Excess CO₂ emissions × £6,130/gCO₂ /tkm).

- 6.15 The excess emissions premium will be sent either to the nominated contact point for the manufacturer.

- 6.16 The excess emissions premium will:

- Be in writing;
- Be dated;
- Set out the reasons for which the excess emissions premium is imposed;
- Set out the amount of the excess emissions premium and how it has been calculated;
- Set out how to pay the excess emissions premium;
- Require payment to be made before the end of a period of 28 days after the date of the notice;

- Include an explanation of the steps the manufacturer must take if they wish to object to the excess emissions premium, including the manner and form in which any notice of objection must be served; and
- Include an explanation of the steps the VCA or Secretary of State may take to recover an unpaid excess emissions premium.

6.17 Excess emissions premiums must be paid within 28 days unless an appeal is made.

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7. Calculation of emission targets and performance

Methodology for targets

Calculation of the Baseline

- 7.1 To calculate the emissions reduction targets to be met from the reporting year beginning 1 July 2025 onwards, a baseline dataset for newly registered Heavy Duty Vehicles will be used. This baseline will be the average CO₂ emissions of those Heavy Duty Vehicles that were newly registered in the period from 1 July 2019 to 30 June 2020.
- 7.2 Prior to the end of the EU transition period, the manufacturer data for UK vehicles for this baseline reporting period to 30 June 2020 was submitted to the European Commission.
- 7.3 The European Commission has since calculated the EU+UK-wide baseline data and published this data on 10 May 2021 through Implementing Decision (EU) 2021/781 - <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021D0781>.
- 7.4 The UK government will adopt these published baselines to calculate the 2025 and 2030 reductions targets. Therefore, the baseline 'reference CO₂ emissions' in each of the vehicle sub-categories will be the same as those used by the Commission.
- 7.5 For each vehicle sub-group, a reference CO₂ emissions number has also been calculated for the baseline year, using data from HDVs of all manufacturers. This is detailed in EU 2019/1242, Annex I, point 3. The calculation is, for all vehicles in the sub-group in the baseline year, the average of all vehicles' CO₂ emissions as divided by their average payload. This forms part of the calculation of individual manufacturer targets from 2025 and for calculating CO₂ emissions reduction trajectory for emission credits from 2019 to 2030. The reference CO₂ emissions can also be found in Implementing Decision (EU) 2021/781.

Reference CO₂ emissions referred to in Article 1, second paragraph, of Regulation (EU) 2019/1242:

Sub-group sg	rCO ₂ sg in g/tkm
4-UD	307,23
4-RD	197,16
4-LH	105,96
5-RD	84,00
5-LH	56,60
9-RD	110,98
9-LH	65,16
10-RD	83,26
10-LH	58,26

How individual manufacturer targets are calculated

- 7.6 For each manufacturer, in each reporting period, from the reporting period beginning 1 July 2025, an individual target will be calculated, as described in EU 2019/1242, Article 6 and Annex I, point 4. This calculation will be the sum of targets for each vehicle subgroup, for each manufacturer.
- 7.7 These vehicle subgroup targets will be calculated by:
- The manufacturer's share of vehicles in the sub-group; multiplied by the whole industry annual mileage and payload weighting factors for that sub group; multiplied by the industry wide CO₂ emissions reduction target for that year; multiplied by the reference CO₂ emissions for that sub group (See above, point [7.5](#)).

Reporting Requirements

Reporting HDV CO₂ from 2020 to 2024

- 7.8 The current UK regulations maintain the regime as it functioned as part of the EU CO₂ emissions regime. Where data was previously reported to the European Commission by manufacturers, as referred to in Part B of Annex I of EU 2018/956, it is now reported to the VCA. This is to be entered in the VCA data collection portal . Details of how to access the portal will be sent to the contact details provided to VCA (see [5.8](#)). VCA will be using the same template as the EU for the upload process
- 7.9 The data in Part A of Annex I of EU 2018/956, as originally enacted, are reported by manufacturers during vehicle registration with the DVLA. This does not need to be reported again.
- 7.10 Some extra fields, added by the EU in September, has also been included in the UK regime (see [3.11](#)). This will also have to be reported by manufacturers to the VCA using the data portal - (see [5.13](#)). This will be a temporary measure while we work with departmental colleagues to find a solution to collect this data through existing processes.
- 7.11 Data will be reported but no targets shall be enforced in this period until the reporting period beginning 1 July 2025.

HDV CO₂ performance from 2025

- 7.12 From 2025 data will continue to be reported to DVLA and VCA as above.
- 7.13 Targets will now be in force. This means manufacturers will gain credits and debts, as described below.
- 7.14 Premiums for excess emissions beyond the emissions debt threshold will now be in force, as laid out above in [6.14](#).
- 7.15 Any remaining emissions debts must be resolved by 2029 and neither credits nor debts can be carried over into the reporting year of 2030.

Methodology for performance

Credits and Debts

- 7.16 As compliance with the targets is calculated on a fleet-wide basis, selling of higher-emitting vehicles can be offset by selling more lower emitting vehicles. In addition, manufacturers can earn emissions credits and debts, or "banking and borrowing", where they can under or over perform against their targets and transfer this into subsequent years.
- 7.17 Prior to enforcement of targets, from 2019 to 2024, only credits can be accumulated. Credits are accumulated by a manufacturer exceeding their CO₂ emissions reduction target in a reporting year. Credits accumulated in the years 2019-2024 can only be used to offset against the emissions target in the year 2025. Debts can be accumulated from when enforcement action begins in reporting year beginning in 2025.
- 7.18 From 2025, credits and debts can only be carried over from one reporting period to the next. Debts made in a year can therefore be offset by generating credits in the immediately prior or subsequent year.
- 7.19 Each manufacturer will have an emissions reduction trajectory, which describes how their individual target changes over time due to the changing industry wide reduction targets. How it is calculated can be found in EU 2019/1242, Article 7 and Annex I, point 5.
- 7.20 Emissions credits and debts are based on a calculation of how much a manufacturer has under or over performed against their emissions reduction trajectory in that year.
- 7.21 Debts are capped at up to 5% of the manufacturer's CO₂ emissions target in the reporting period of the year 2025, multiplied by the number of Heavy Duty Vehicles of the manufacturer in that period. Beyond this threshold, manufacturers will pay a per-vehicle premium, as stated above in [6.14](#).

Zero and Low emission vehicles

- 7.22 The number and CO₂ emissions of all zero- and low-emission vehicles (ZLEVs) are taken into account as part of the manufacturers fleet in a given reporting period, reducing the average emissions across the fleet. However, there are also extra credits for ZLEVs, to incentivise early uptake.
- 7.23 Throughout the regime, from 2019 to 2030, the extra reduction granted by ZLEVs, beyond their contribution of producing lower emissions, is capped at 3% of a manufacturers average specific CO₂ emissions.
- 7.24 In the reporting periods up to 30 June 2025, all zero- and low-emission Heavy Duty Vehicles should be counted multiple times for the purpose of calculating the average specific CO₂ emissions of a manufacturer. This will have the effect of reducing a manufacturer's average CO₂ emissions further.
- 7.25 A zero-emission Heavy Duty Vehicle will be counted as two vehicles and a low-emission Heavy Duty Vehicle shall be counted as up to two vehicles according to a function of its specific CO₂ emissions and the low-emission threshold of the vehicle sub-group to which the vehicle belongs. These are defined in EU 2019/1242, Annex I, point 2.3.1.

- 7.26 For the reporting periods from 2025, there will no longer be multiple counting. Instead, the manufacturers average emissions will be reduced, on top of their existing contribution to reducing average emissions, by a "ZLEV factor". This is calculated based on the percentage of the fleet that is zero or low emissions. A zero-emission vehicle is counted as 1, while a low emission vehicle is counted between 0 and 1, depending on their CO₂ emissions.
- 7.27 However, if ZLEVs account for less than 2% of the fleet, there will be no reduction in the manufacturer's average emissions. This 2% threshold must be passed in order to take advantage of the ZLEV factor. Manufacturers are also still capped at a 3% additional reduction in their average emissions from ZLEVs. Beyond that threshold, ZLEVs will provide no extra bonus beyond their existing contribution of producing lower emissions
- 7.28 The Secretary of State shall adopt a specific procedure for identifying heavy-duty vehicles that are certified as vocational vehicles. More information will be provided on our plans in due course and we will work with industry on developing the procedure.

How individual manufacturer performance is calculated

- 7.29 From the reporting period beginning 1 July 2025, the VCA shall assess the average specific emissions of CO₂ that are emitted by the newly registered fleet by each individual manufacturer in that period.
- 7.30 The calculations for assessing whether a manufacturer has excess emissions differ depending on the year. The formulae are detailed in EU 2019/1242, Annex I, point 6:
- In 2025, it is the total number of emission debts in the 2025 reporting year; minus the sum of the emission credits from 2019 to 2025; minus the emission debt limit (as described in [7.21](#)).
 - Between 2026 and 2028, the excess emission calculation is the emission debts minus emission credits in that reporting year; minus the excess from the previous year; minus the emission debt limit; minus the reduction of emission debts of the reporting period of the year 2025 (in accordance with point 5.4 of Annex 1).
 - Finally, in 2029, it will be the sum of debts minus the sum of credits from 2025 to 2029, minus the sum of all excess emissions over the period and minus the reduction of emission debts of the reporting period of the year 2025 (in accordance with point 5.4 of Annex 1). In other words, all credits, debts and excess emissions must balance off prior to 30 June 2030 and any emissions above the target at this time will face a premium.
- 7.31 There are therefore three circumstances where a manufacturer may have excess CO₂ emissions:
- where, in any of the reporting periods of the years 2025 to 2028, the sum of the emission debts reduced by the sum of the emission credits exceeds the emission debt limit referred to above in [7.21](#);
 - where, in the reporting period of the year 2029, the sum of the emission debts reduced by the sum of the emission credits is positive;
 - where, from the reporting period of the year 2030 onwards, the manufacturer's average specific CO₂ emissions exceed its specific CO₂ emissions target.
- 7.32 Where a manufacturer is found to have excess emissions beyond the limit, they will pay the premium as detailed in [6.14](#).

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8. Future Amendments

- 8.1 As the regulation is used and tested, a number of changes may need to be made in order to ensure that the regulation keeps pace with change to both the UK vehicle market and to wider legislative changes that affects the regulations.
- 8.2 In order to ensure that the calculation of manufacturers CO₂ emissions and their targets keep up with technical progress and the evolution of freight transport logistics, the government may amend the following provisions of EU 2019/1242:
- the entries for cab type and engine power set out in Table 1 of Annex I of and the definitions of 'sleeper cab' and 'day cab' referred to in that Table;
 - the mission profile weights set out in Table 2 of Annex I;
 - the payload values set out in Table 3 of Annex I, and the payload adjustment factors set out in Table 1 of Annex II;
 - the annual mileage values set out in Table 4 of Annex I.
- 8.3 If typeapproval procedures are modified in such a way that the level of the CO₂ emissions of representative vehicles increase or decrease by more than 5 g CO₂/km, the government will adjust the reference CO₂ emissions level. The government will establish a methodology for defining the representative vehicle(s), in order to measure this change.

9. Review

- 9.1 Under the regulation EU 2019/1242, the Government is required to review the effectiveness of this legislation by the end of 2022.
- 9.2 In order to determine the effectiveness of the legislation as it stands, this review must cover:
- the level of the CO₂ emissions reduction target;
 - the effectiveness of the system of emission credits and emission debts;
 - an assessment of the deployment of zero- and low-emission Heavy Duty Vehicles and the level of the incentive mechanism for them applicable from 2030;
 - an assessment of the roll-out of the necessary recharging and refuelling infrastructure;
 - setting CO₂ emissions reduction targets for other types of Heavy Duty Vehicles, including trailers, buses and coaches, and vocational vehicles;
 - the introduction of binding CO₂ emissions reduction targets for Heavy Duty Vehicles for 2035 and 2040 onwards;
 - an assessment of the level of the excess CO₂ emissions premium to ensure that it exceeds the average marginal costs of the technologies needed to meet the CO₂ emissions targets.
- 9.3 The review must also cover potential additions to the legislation, including:
- an assessment of the possibility of developing a specific methodology to include the potential contribution to CO₂ emissions reductions of the use of synthetic and advanced alternative liquid and gaseous renewable fuels;
 - an assessment of the feasibility of introducing an open, transparent and non-discriminatory pooling mechanism between manufacturers;

10. Contacts

DfT Contacts

- 10.1 DfT officials can be contacted regarding any aspect of the legislation or the policy of the regulations.
- 10.2 The lead division in DfT overseeing the Regulations is the Environment Strategy team. They can be contacted at environmental.strategy@dft.gov.uk

VCA Contacts

- 10.3 VCA officials can be contacted regarding the enforcement of the regulation.
- 10.4 The lead team at VCA is Corporate Affairs. They can be contacted at fleetaverage@vca.org.uk

DVLA Contacts

- 10.5 The DVLA can be contacted regarding the collection of registrations data.
- 10.6 They can be contacted using the Basecamp facility. All manufacturers who register vehicles should have access to this forum.
- 10.7 Alternatively, they can be contacted at VED.Reform@dvla.gov.uk

Vehicles Statistics

- 10.8 The Vehicle Statistics team are responsible for collating registrations information from the DVLA and reporting an initial dataset to the VCA.
- 10.9 They can be contacted at vehicles.stats@dft.gov.uk

11. Annex - timeline flowchart

To be added in at a later date

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