May 2026

Recommendations:

Proposal for a Regulation on Clean Corporate Vehicles

Eurelectric welcomes the Proposal for a Regulation on Clean Corporate Vehicles as a key demand side element of the EU's Automotive Package. Corporate fleets are the fastest lever to scale zero emission mobility**, accounting for around 60% of new vehicle sales and acting as the main stimulus for the second-hand market,** supporting **affordability**, while also **enhancing energy system resilience via bidirectional charging**. Eurelectric's joint Fleet Forward study with EY shows that **fleet electrification could displace up to 95 billion litres of diesel and deliver €246 billion in operating cost savings for European businesses by 2030**, while cutting around one billion tonnes of CO_2.[1]

A regulation to electrify corporate fleets also has the potential to boost Europe's auto industry, as manufacturers with headquarters in the EU dominate the corporate electric vehicle (EV) market. With a minimum zero-emission vehicle (ZEV) target of 69% across the EU and excluding plug-in hybrids (PHEVs), the regulation can stimulate demand for an additional 2 million EVs by 2030, securing more than half of the EV sales European carmakers need to meet their CO_2 targets.[2]

Crucially, this gives the proposal a double dividend: it supports European industrial policy while simultaneously strengthening Europe's energy security by cutting dependence on imported fossil fuels and shielding against price volatility during the ongoing fossil fuel crisis. To ensure a timely and cost-efficient rollout of charging infrastructure**, the regulation should also be coherent with the EU Grids Package by promoting early coordination between fleet operators, charging providers and distribution system operators (DSOs).** Early visibility of fleet electrification plans is essential to enable anticipatory grid investments, efficient network planning and timely grid connections, helping avoid delays and reducing overall system costs.

What to keep

1. **Keep binding targets for Member States (Article 3 (1) (a-b))**

Targets for the share of clean corporate vehicles for each Member State should be binding.

Why: The Regulation gives Member States the freedom to design the most effective solutions to reach the headline targets, tailoring incentives to their unique circumstances. Binding targets create a clear market signal and enable the regulation to address the demand side of the automotive market, bolstering the sales of European OEMs.

[1] Eurelectric – EY joint report: Fleet Forward: Link here
[2] Transport & Environment Press Release, February 2026. Link here.

What to adapt

1. **Remove low-emission vehicles from the scope**

"Low-emission vehicles" and therefore the combined share targets should be removed from Member State targets, setting binding targets only for ZEVs.

Why: There is no need to support the uptake of 'low-emission' technologies like alternative fuels and PHEVs when fully battery electric vehicles (BEV) are a mature and, increasingly, cost-competitive solution that can insulate European businesses from volatile fossil fuel imports. In addition, the role of plug-in hybrids (PHEVs) should be limited because they have proven to emit at least three times more CO_2 than lab results account for, according to a 2026 study by the Fraunhofer Institute.[3]

2. **Match the necessary ambition level (Annex I and II)**

The targets for ZEVs per Member State should be increased to reflect the Commission's own "low ambition" scenario in the impact assessment at a minimum (EU target of 65% ZEV by 2030).

Why: The current Member State targets do not deviate from "business as usual" trajectories and are lower than even the "low ambition" scenario projected by the Commission itself. Targets should also be aligned with the Impact Assessment methodology, which takes into account both GDP per capita and BEV penetration, providing a more accurate and differentiated basis for setting ambition across Member States.

3. **Define multi-year compliance periods before target-years (Article 3 (2))**

Compliance could be assessed over multi-year periods, as long as it takes place before the target-year (e.g. 2028–2030, 2033–2035).

Why: The current proposal establishes single-year compliance targets for 2030 and 2035. Such single-point deadlines create strong incentives for back-loading, encouraging fleet operators to delay investments until shortly before the compliance year instead of progressing steadily over time.

Defining rolling compliance periods (2028–2030, 2033–2035) would incentivise operators to begin decarbonisation immediately, support more even investment planning and reduce the likelihood of last-minute compliance strategies. This approach would lead to more predictable demand for zero-emission vehicles and infrastructure, improving planning security for both fleet operators and manufacturers.

4. **Limit financial support to zero-emission vehicles & include incentives for bi-directional capabilities (Article 4)**

Member States should only be allowed to provide financial support for the purchase, lease, rent, hire-purchase, or operation of corporate cars and vans that are ZEV. Additional financial incentives should be offered for companies that procure vehicles with bi-directional capabilities.

Why: Governments play a key role in providing economic signals to incentivise consumers' transition to electrification. Therefore, any support should send a clear signal and be solely limited to ZEVs. Building on this approach, additional incentives should be provided for BEVs equipped with onboard bi-directional charging capabilities, aligning fleet electrification with industrial, energy system, and innovation objectives. Thanks to their predictable usage patterns, certain corporate fleets could become valuable for scaling the deployment of V2G technologies and thus for optimising the electricity system.

[3] Fraunhofer: Regulatory adjustments for plug-in hybrid vehicles in Europe (2026): Link here

5. **Include mandatory fiscal measures in the national plans (Article 6)**

The Regulation should explicitly require that fiscal measures are a mandatory component of the national plans, ensuring a coherent, effective and EU-wide approach that avoids regulatory fragmentation.

Why: National plans are not required to include any specific type of measures, leaving fiscal instruments entirely optional. This risks perpetuating the fragmented support framework that the Commission itself identified as a key barrier to corporate ZEV uptake in its Communication of March 2025. Fiscal incentives are among the most effective tools to accelerate the electrification of corporate fleets. As demonstrated in countries such as Portugal and Belgium, stable and targeted fiscal frameworks—such as benefit-in-kind reforms, accelerated depreciation or VAT deductibility—can rapidly scale up corporate EV adoption, delivering predictable, high-volume market signals.

What to add

1. **Include heavy-duty vehicles in the scope (Recital 9)**

Add a provision to present by 2027, a legislative proposal for heavy-duty vehicles (HDVs), ensuring its entry in force by 2028, with binding targets, in line with the review timeline for the Regulation on CO2 Emission Standards for HDVs.

Why: Electrification of truck fleets is crucial to decarbonising the logistics sector, as it is entirely commercial and generates approximately 25% of European road transport emissions. Setting a binding HDV target can generate a lead market for the technology, boosting the competitiveness of European OEMs and providing necessary utilisation of the HDV charging infrastructure that is crucial to the successful electrification of road freight.

However, given the distinct operational complexity, longer vehicle lifecycles, and higher capital intensity of truck fleets, the timeline for HDV provisions should be set independently from those applicable to new registrations of corporate cars and vans, and the framework should incorporate meaningful flexibility mechanisms, such as pooling, phased compliance pathways, or technology-neutral provisions — to reflect the structural realities of the commercial freight sector.

2. **Clearly define 'financial support' (Article 2)**

Set a definition of 'financial support' to explicitly exclude support for fossil fuels.

Why: Article 4 prohibits financial support for the "operation" of corporate vehicles other than zero- and low-emission vehicles. However, in the absence of an explicit clarification, this provision could be interpreted narrowly and fail to prevent support for fossil fuels, such as rebates, tax refunds, reduced excise duties, or other operational subsidies. Explicitly excluding any form of financial support for fossil fuels is essential to ensure coherence with EU's commitment to phase out fossil fuel subsidies and to guarantee that public resources do not prolong the use of combustion technologies.

3. **Exclude specific vehicles used for emergency response operations (Article 1)**

Emergency vehicles, such as those used for the urgent restoration and maintenance of critical energy, electricity, gas, water or telecommunications networks, should be exempted.

Why: Emergency response operators must retain maximum operational flexibility during extreme weather events, natural disasters and large-scale outages. While electric vehicles can offer important advantages in crisis situations — including operating on stored battery power and, in some cases, charging via distributed renewable energy sources — the unpredictable nature of emergency interventions warrant a targeted exemption for such fleet operators.