

19 July 2021

UPDATED CLEAN CAR STANDARD TARE WEIGHT FORMULA

- The Clean Car Standard will provide for differentiated targets based on the tare weight of a vehicle. Additionally, it will provide for different targets for passenger vehicles (cars and SUVs) and for commercial vehicles (utes and vans).
- The tare-weight adjustment formula agreed by Cabinet in January 2021 and shared with industry was provisional, as it was based on 2019 vehicle data. Cabinet agreed that the formula would be updated before being finalised. The Minister of Transport has now agreed to an updated formula. The tare-weight adjustment formula will not have legislative effect until regulations containing the detail of the Clean Car Standard are passed..
- The following table shows both the provisional figures agreed by Cabinet in January together with the new figures agreed by the Minister. **Green** text shows the changes.

Formula Element:	Passenger vehicles (Cars, SUVs)		Commercial vehicles (Utes, vans)	
	New	Provisional	New:	Provisional
Line slope (a) (3p WLTP)	0.0841	0.09	0.0576	0.04
Average tare weight (V ₀):	1441 kg	1438 kg	1999 kg	1998 kg
Tare Weight Floor:	1200 kg	1200 kg	1200 kg	1200 kg
Tare Weight Ceiling:	2000 kg	(none)	2200 kg	(none)

- The proposed **annual fleet targets** are shown below. Note, these targets are subject to legislation being passed. The final targets will be based on the 3-phase WLTP test cycle. The NEDC figures are shown for comparison purposes, as these are the figures that were agreed and shared earlier this year.

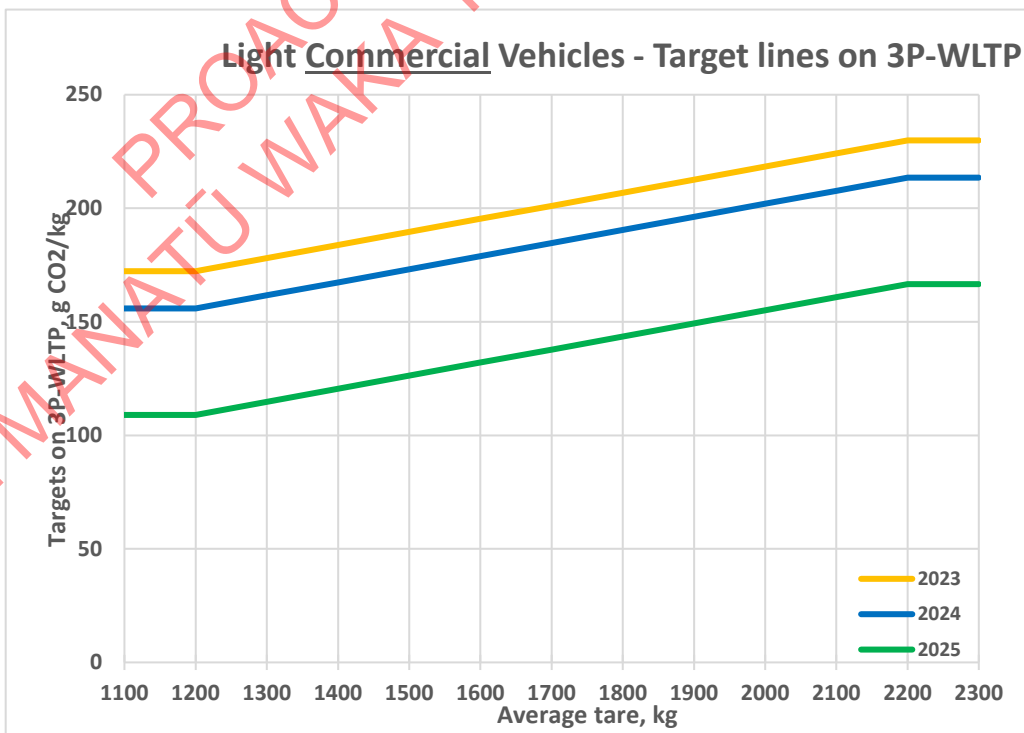
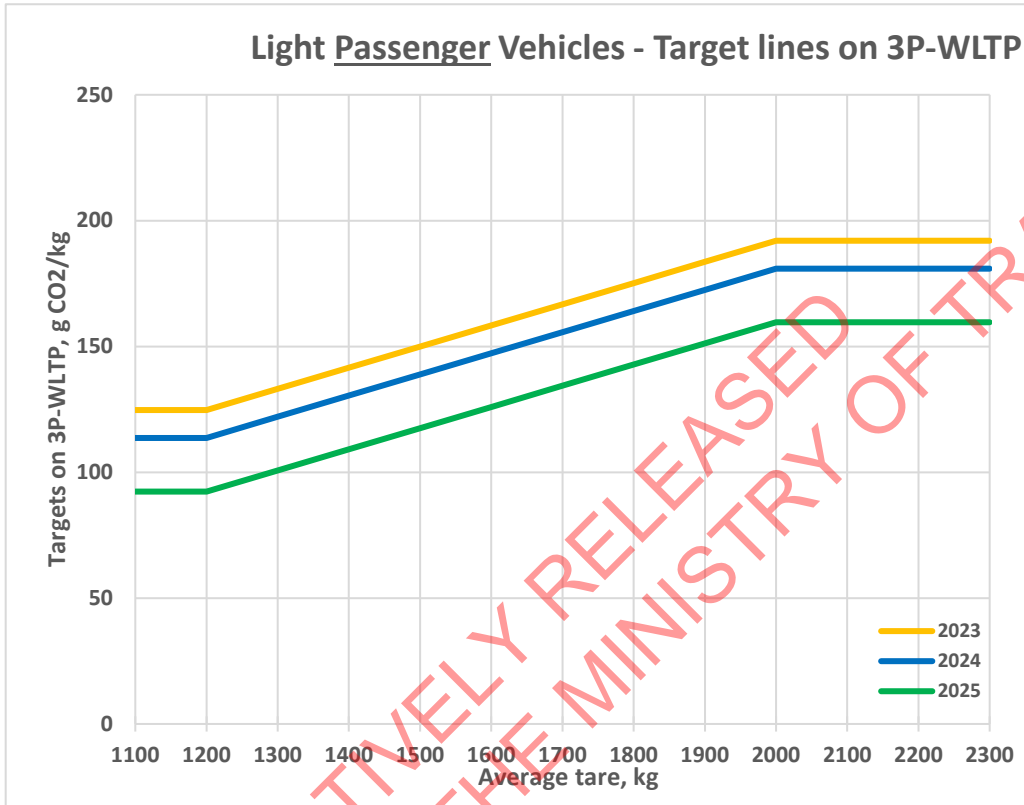
	2023		2024		2025	
	NEDC	WLTP	NEDC	WLTP	NEDC	WLTP
Grams CO₂/km						
Passenger Fleet (Cars & SUVs)	130	145	120	133.9	102	112.6¹
Commercial Fleet (Vans and Utes)	190	218.3	175	201.9	132	155
Average	139	156	128	144.1	105	117.9

- The formula remains the same as that agreed and shared in January 2021:
Individual vehicle CO₂ target = annual fleet target + a x (V - V₀),
 where **V** is the vehicle tare weight and the other variables are noted above.

¹ Refer paragraph 12.

6 To illustrate this in practice, to determine the CO₂ target for a **car** with a tare weight of **1500kg** in **2025**, the values would be as follows:
 $112.6 + 0.0841 \times (1500 - 1441)$, which equals 117.6 (g CO₂/km).

7 The following graphs depict the light passenger and light commercial weight-adjusted formula visually, when incorporated with the 2023 to 2025 CO₂ targets:



- 8 The components of the formula comprise a floor, slope, and ceiling, and an average tare weight.
- 9 A “*tare weight floor*” is set at 1200kg. This means that all vehicles below 1200kg receive the same target as though they weigh 1200kg. This enables lightweight vehicles to have a more achievable carbon emissions target.
- 10 The *slope* and *average tare weight* are calculated from, and reflect, the more than half a million records of vehicles first registered in New Zealand in the 2019 and 2020 calendar years. The slope reflects the relationship of carbon emissions and tare weight of the vehicle fleet recently entering New Zealand.
- 11 In order to provide a more generous target on smaller vehicles, a “tare weight ceiling” is necessary. For passenger vehicles this is set to 2000kg, as few vehicles (6%) exceed this value. A higher ceiling of 2200kg is provided to commercial vehicles owing to the weight associated with their larger engines and physical size. Vehicles above this ceiling are subject to the same target as though they weighed the ceiling figure.
- 12 Due to the small rounding differences when performing conversions from NEDC to WLTP, and the formula adjustments above, in order for the overall 2025 ambition level to be preserved, the passenger annual fleet has to achieve slightly lower emissions, and hence it is reduced from 113.8 down to 112.6 grams CO₂/km (3-phase WLTP), as shown in paragraph 4.
- 13 Charges on importers for the exceeding the targets in the Clean Car Standard were originally established using NEDC targets. Given targets are based upon WLTP, the charges need to reduce slightly to remain equivalent. The following charges will be proposed (note these are subject to final legislation):

		From 2023		From 2025		Measurement
Grams CO ₂ /km		NEDC	WLTP	NEDC	WLTP	
New vehicle importers (and used where approved)	Used vehicles	\$25.00	\$22.50	\$37.50	\$33.75	Per gram CO ₂ in excess multiplied by number of vehicles in fleet
	New vehicles	\$50.00	\$45.00	\$75.00	\$67.50	
Used vehicle importers	Used vehicles	\$20.00	\$18.00	\$30.00	\$27.00	Per gram CO ₂ vehicle exceeds target
	New vehicles	\$40.00	\$36.00	\$60.00	\$54.00	

- 14 Cabinet agreed to reviewing a number of aspects of the Clean Car policies in 2024, including the weight-adjustment formula. A change to the formula at that time would need to amend regulation before it would take effect.