



E-Mobility
Europe



Recommendations for the EU Automotive Action Plan and Clean Industrial Deal

Brussels, February 2025



Executive Summary

This document outlines urgent actions the European Commission should undertake as part of the Clean Industrial Deal and EU Automotive Action Plan to strengthen Europe's EV ecosystem, ensure regulatory certainty, and enhance competitiveness. Europe's competitiveness hinges on regulatory certainty. The European Commission must reaffirm the 2035 and 2040 CO₂ targets, along with the 2026 and 2027 review timelines.

Alongside stability, the EU should find ways to incentivise the uptake of EVs across the segments (LDVs, HDVs and corporate fleets) to boost demand. This should notably include:

- Introduce EU-wide purchase incentives to complement national schemes
- Guide Member States on financial and non-financial support measures to ensure affordability and stable demand
- Reform taxation systems to encourage EV ownership while disincentivizing internal combustion engine (ICE) vehicles
- Support the uptake of zero-emission trucks by reducing road tolls and introducing tax incentives to achieve cost parity with ICE vehicles
- Require sustainable mobility plans for large organizations, ensuring corporate fleets transition to EVs

The document also focuses on measures enhancing Europe's competitiveness. Most notably, AVERE requests to address the EU's competitiveness gap by:

- Expanding financial mechanisms for battery production and recycling
- Simplifying state aid rules to attract investment and accelerate permitting
- Streamlining and consolidating existing EU regulations to reduce burdens on the EV ecosystem
- Building up Europe's EV ecosystem skills agenda

Additionally, the paper calls for tackling grid challenges by:

- Resolving grid bottlenecks
- Standardising and fast-tracking permitting processes for charging infrastructure
- Mandating Pan-European capacity maps to enable strategic grid planning
- Investing in smart grid upgrades to support EV growth
- Promoting flexibility via financial and technical support for vehicle-to-grid technology



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Introduction

The European Commission's Automotive Action Plan and wider Clean Industrial Deal are critical policy initiatives for delivering a successful electric vehicle (EV) transition to Europe's citizens and economy. This paper provides policy recommendations from AVERE, the united voice for Europe's EV ecosystem.

2025 is a decisive make-or-break year in Europe's EV transition. Europe's Automotive Action Plan needs to stimulate a ramp-up of EV demand and usage to help meet the EU's 2025 CO2 limits and beyond, while addressing intensified global competition and improving the competitiveness of our overall ecosystem.

Through decisive action, Europe can seize the opportunities of its EV transition, including EUR 300bn added value and several hundred thousand new jobs – avoiding a scenario where its industrial strength declines, and new jobs are captured by other regions.

The European Commission's plan needs to focus on delivering three outcomes:

A competitive EU
automotive sector

Build-up of a full
electric vehicle
ecosystem

Affordable electric
vehicles for Europeans

The EU's 2035 CO2 limits must remain the guiding compass for investment into these three objectives. But we agree with Mario Draghi's conclusion that "Europe lacks a targeted and forward-looking industrial strategy in the automotive sector". The European Commission needs to urgently put forward a policy agenda for demand, competitiveness, and integration, integrated in both the Clean Industrial Deal and the Automotive Action Plan.

Our framework for an impactful Automotive Action Plan within the Clean Industrial Deal

Maintain investment certainty of 2035 CO2 limits

Stimulate electric vehicle demand

- Stable incentives
- Corporate fleet rules
- Heavy Duty Vehicle focus

Strengthen ecosystem competitiveness

- Value chain finance
- Streamlined rules & permits
- Renewed skills agenda

Integrate with Europe's energy system

- Action on grid constraints
- Accelerated permitting
- Flexibility promotion



Maintaining Legal Certainty in the EU Regulatory Framework

The European Commission and other EU institutions must maintain investment certainty for its EV ecosystem through a validation of its 2035 and 2040 CO₂ limits, and all interim steps as well as providing open political support, which is essential to foster an investment climate.

The Automotive Action Plan and Clean Industrial Deal should reconfirm the agreed 2026 timeline for the review of both legislations and limited scope for reviewing the 2035 and 2040 CO₂ limits, in order to avoid adding further uncertainty to the market. In this regard, the European Commission should build on the recent positive experience provided at the national level, starting from Norway, where certainty of targets played a pivotal role in reaching ambitious goals when it comes to EV uptake.

The framework agreed in the CO₂ standards legislations for light-duty vehicles (LDVs)[1] and heavy-duty vehicles (HDVs)[2] is the foundation for Europe's EV industrial policy, providing a reliable demand signal for the entire European e-mobility ecosystem to build towards. The current speculation on changing this framework has already slowed down new investments in the EU due to unclear market visibility, impacting EV manufacturing, battery supply, infrastructure build-out, and more.

Recommendations:

European Commission to maintain the CO₂ targets agreed in the CO₂ standards for both LDVs and HDVs and the adopted review dates in 2026 and 2027.

[1] <https://eur-lex.europa.eu/eli/reg/2023/851/oj/eng>

[2] <https://eur-lex.europa.eu/eli/reg/2024/1610/oj/eng>



Fostering EV Demand

The European Commission should work with Member States on priority actions to raise demand for EV across all customer segments, covering both light-duty and heavy-duty vehicles. The easiest route forward to all European automakers meeting the 2025 CO₂ limits is for the EU and governments to get more people buying and using EVs. To foster EV demand, it is crucial that the European Commission properly addresses the affordability issue which, compared to gas-powered vehicles, remains key to the e-mobility growth, with prices still varying widely by region.

The European Commission should prioritise actions to expand best practice across EU Member States, guiding national governments to support schemes that are both fiscally-efficient and impactful, and evaluating where direct EU support can be applied. Such schemes should focus both on the primary and secondary vehicles markets, as well as on the corresponding infrastructure[3].

Light Duty Vehicles

The European Commission should step up its efforts to encourage EV uptake and usage, working with national governments to encourage a stable combination of financial and non-financial support measures, learning from what has already proven effective.

At EU-level, the Automotive Action Plan should consider introducing EU-wide purchase incentives to top-up national purchase incentives, without creating market distortions. At the same time, building on recent experience at the Member States level, any 'stop and go' policy should be avoided. As such, the European Commission should put forward a long-term EU-wide framework with guidance for Member States to adopt financial and non-financial incentives [4].

The European Commission should take measures to enforce the Clean Vehicles Directive to ensure the public sector leads from the front. In addition to that, schemes for citizens and fleet providers should be adopted to make them "try before they buy" EVs through shared mobility operators, which would grow familiarity and comfort before a purchase decision to move to EVs[5].

To prevent distortions in the single market caused by requirements linked to national incentive schemes (e.g., France's Eco-Bonus), the European Commission should establish guidelines for a harmonized methodology. These guidelines should focus on incentivizing vehicles with lower CO₂ footprints, while making local supply chain requirements a conditional criterion for accessing additional benefits.

[3] Support to second-hand vehicle purchases is of paramount importance: poor Residual Values currently act as a significant brake on primary market purchases, while the secondary market is highly illiquid in most EU markets. Measures to stimulate a liquid secondary market that grows access to cheaper EVs, reduces overall vehicle financing costs while stimulating primary market demand, will have a disproportionately more beneficial effect to almost all other demand-creation measures.

[4] These incentives should be based on elements such as the delivered output, mass capacity and scaling, prioritisation of possible offtake from mid and upstream battery value chain companies based in the EU, and low carbon footprint.

[5] A great example is the EV Fleet Trial in Ireland that allowed public authorities, SMEs and large corporations to try out EVs while also supporting the installation of charging infrastructure



E-Mobility Europe especially calls on the European Commission to issue guidance to Member States aimed at reforming taxation schemes to provide greater incentives for EVs purchased while making internal combustion engine (ICE) vehicles less economically advantageous. The EU can inspire Member States to accelerate EV adoptions.

Recommendations:

- European Commission should explore introducing EU-wide purchase incentives to complement national incentives while issuing best practices guidance to Member States for long-term planning and additional measures to stimulate EV demand, ensuring market stability
- European Commission to issue guidance for Member States to reform their taxation scheme to incentivise EVs adoption of privately owned cars
- European Commission to monitor the enforcement and review the Clean Vehicles Directive to ensure the public sector leads from the front.

Heavy-Duty Vehicles (HDVs)

The European Commission's demand incentives should also include actions for supporting electric trucks to achieve cost parity with internal combustion engine (ICE) technology in today's ramp-up phase.

Potential incentives include time-limited actions to lower the upfront costs of zero-emission HDVs and related infrastructure, in-use benefits such as reduced ownership and usage taxes, and discounted road tolls to further lower the total cost of ownership (TCO) compared to ICE HDVs. TCO is the most important factor when purchasing and operating a truck. To this end, building on the revised Eurovignette Directive [7], decreasing road tolling - or even eliminating - for zero-emission HDVs would be key to incentivise their uptake, as shown by recent studies [8].

Recommendations:

- European Commission to take actions for helping electric trucks achieve cost parity with internal combustion engine technology in today's ramp-up phase. In particular, road tolling - should be decreased - if not eliminated - for zero-emission HDVs.

[6] [https://elbil.no/english/norwegian-ev-policy/#:~:text=The%20Norwegian%20EV%20incentives%3A&text=From%202023%20some%20purchase%20tax%20based%20on%20the%20cars'%20weight,tax%20\(1996%2D2021\).](https://elbil.no/english/norwegian-ev-policy/#:~:text=The%20Norwegian%20EV%20incentives%3A&text=From%202023%20some%20purchase%20tax%20based%20on%20the%20cars'%20weight,tax%20(1996%2D2021).)

[7] <https://eur-lex.europa.eu/eli/dir/2022/362/oj/eng>

[8] https://www.transportenvironment.org/uploads/files/202403_TE_Eurovignette_briefing_update.pdf



Electrification of Corporate Fleets

The Automotive Action Plan should be accompanied by the European Commission's announced legislative proposal for greening of corporate fleets. This legislation should include a balanced combination of both push and pull measures, including ambitious targets, setting a realistic trajectory for the decarbonisation of corporate fleets, and measures to support EV fleet demand and usage as well as a robust second-hand market.

The EU can encourage several actions at Member State level to support fleet electrification, including for example, a reduced VAT rate for the use of shared mobility EVs and EV charging. Additionally, the European Commission should adopt requirements on organisations of a certain size (e.g. >50 employees in a location) to produce and implement sustainable mobility plans that encompass all in-work use cases from commuting to everyday business operations[9].

Belgium exemplifies best practice with its stable fiscal incentives for corporate BEV purchases or leases, established in 2021 and valid through 2032. This certainty has driven results, with around 80% of EVs registered in Belgium in H1 2024 going to corporate fleets[10].

Lastly, a key challenge for captive fleets is the lack of dedicated charging infrastructure. The European Commission should support the uptake of recharging infrastructure in key locations for corporate fleets such as hubs and depots.

Recommendations:

- European Commission to put forward a legislative proposal for greening corporate fleets, including ambitious targets while setting a realistic trajectory
- European Commission to adopt requirements on organisations above 50 employees to produce and implement sustainable mobility plans that encompass all in-work use cases
- European Commission to encourage several actions at Member State level to support fleet electrification, notably through a reform of taxation schemes to incentivise corporate fleet owners to purchase, lease or rent EVs as opposed to their ICE counterparts
- European Commission to guide Member States in facilitating the deployment of recharging points in depots & DC recharging infrastructure in key locations

[9] This would significantly increase the use of zero-emissions vehicles, driving up zero emissions kilometres driven

[10] <https://febiac.be/sites/default/files/media/file/2024-07/Communique%20de%20presse.pdf>



Boosting European Ecosystem Competitiveness

The Clean Industrial Deal and Automotive Action Plan must include meaningful measures for improving Europe's competitiveness gap with other regions, covering all stages of the value chain.

Europe can still seize EUR 300bn of additional added value through a fully successful transition to EVs, and create 580,000 new jobs across infrastructure, batteries, and digital technologies. But by letting other countries secure their lead, Europe will reduce its automotive sector value-added by EUR 400bn and lose-out on many of these new jobs[11].

The EU's Clean Industrial Deal should make business easier and faster across all parts of the e-mobility ecosystem, including vehicles, infrastructure, and the battery value chain. We need to reduce the costs of building and operating new factories in Europe, speed-up and simplify permitting times including for infrastructure roll-out, and strengthen actions on Europe's skills gap.

We support the EU's actions to reduce the regulatory burden faced by companies and improve coherence of different policies. In addition, we have the following specific recommendations:

Strengthened finance for battery value chain

To secure a local battery value chain in Europe and the potential 200,000 new jobs[12], the European Commission needs to deliver more substantial, effective, and simple financial tools to bridge Europe's competitiveness gap - while ensuring value added to the European economy from foreign investment.

The EU must build significantly on its EUR 3 billion Battery Fund to compete against the subsidies available from the US Inflation Reduction Act or other global policies. This can be accomplished through a new funding system at European level combined with a national reform of state aid rules.

At European level, we advocate for a dedicated finance mechanism (or Bank) supporting both CAPEX and OPEX for battery cell production and key upstream activities. Access to funding should be output-based, simple, and clear, learning from what has been successful with the Inflation Reduction Act and its predictability, and incentivising local value chains.

To foster circularity of critical raw materials, investments in recycling capacity should be prioritised. On this point, the European Commission should assess recycling projects by keeping a technology-neutral approach and prioritising mass scale potential, as well as following the most rewarding technologies based on market dynamics.

We additionally support the European Commission's actions to design an EU-level system allowing for Member State top-up through state aid and other tools. This can be effective for amplifying the size and scope of Europe's funding capacity[13], but care is needed to avoid distortions that privilege better-resourced Member States.

[11] <https://opportunity35.eu/>

[12] <https://opportunity35.eu/>

[13] An estimated EUR 50 billion public finance is needed by 2030 for a local battery value chain



The European Commission's broader actions to reform the EU's state aid rules are essential to making these initiatives work on the ground. This should include a rationalisation of all the different EU state aid schemes applicable at Member State level, a focus on key strategic technologies for the clean and digital transition, and incentives for localised value chains. Most notably, state aid procedures should be streamlined in order to: 1) Facilitate capacity building and project realisation, and 2) Increase investment confidence, as assured and faster state aid approval is critically important for investment decisions.

Recommendations:

- European Commission to set up a dedicated finance mechanism supporting both CAPEX and OPEX for battery cell production and key upstream activities
- European Commission to invest in recycling capacity (fostering circularity of critical raw materials) and to streamline state aid procedures

Streamlining of EU Regulation

The Commission's renewed ambition to simplify the EU's regulatory framework is welcome. Like other sectors, Europe's e-mobility ecosystem experiences barriers from excessive reporting obligations, lack of policy predictability, and divergent Member States approaches.

Clarity in the technical implementation of existing legislation, consistency with established policies, and a commitment to a supportive business environment are imperative to attract and avoid divestment of investments across the entire EU e-mobility value chain. As such, consolidating and implementing are key: Europe has adopted a plethora of legislation to achieve climate-neutral road transport by 2050. It is now very important to ensure stability and predictability so that the industry can invest.

We recommend that the Automotive Action Plan includes a review of where existing EU legislation and its implementation is holding Europe's EV goals back.

Examples include:

- Delays in the adoption and implementation of the Batteries Regulation delegated acts (i.e., Carbon Footprint Methodologies)
- Multiple requirements for charging infrastructure including different accessibility requirements, metrology requirements, smart meters protocols etc.

[11] <https://opportunity35.eu/>

[12] <https://opportunity35.eu/>

[13] An estimated EUR 50 billion public finance is needed by 2030 for a local battery value chain



Recommendations:

- European Commission to assess which existing EU legislation and their implementation are holding Europe's EVs goals back and suggest simplification and acceleration procedures

A Reinvigorated Skills Agenda

Building up Europe's EV ecosystem requires a skilled workforce across a range of sectors, including digital technologies, battery manufacturing, and technicians. 2.4 million employees across today's EU automotive sector will also require reskilling or upskilling to transition to new jobs in e-mobility[14].

The Automotive Action Plan must include a strong skills agenda, identifying key bottlenecks and introducing new programmes for addressing workforce needs across EU Member States. This should include an expansion of EU financial support for upskilling and reskilling programmes (e.g. through a new automotive skills academy, broadening Erasmus+ funds, and implementation of the Net Zero Industry Act's skills agenda). The European Commission should also encourage that Member States implement an adequate digital curriculum into their education systems and training programmes.

Recommendations:

- European Commission to conduct communication campaigns to attract new talent to the jobs for building and managing the power grid by actively publicising and conducting communication campaigns
- European Commission to support upskilling and reskilling of the European workforce via EU-wide training academies and programmes
- European Commission to encourage Member States to integrate digital skills training into their national curriculum in order to prepare European youth for the jobs of the future

[14] <https://web-assets.bcg.com/82/0a/17e745504e46b5981b74fadba825/is-e-mobility-a-green-boost.pdf>



Ensuring Energy System Integration

The European Commission should also link its Automotive Action Plan and Clean Industrial Deal with the Electrification Action Plan under development, to maximise consumer cost-savings and grid benefits from EV roll-out.

EVs have a massive flexibility potential that will support the European grid and can reduce household electricity costs for consumers by up to 50%. However, Europe needs to take the right actions now to ensure its energy system is equipped to support EV roll-out and flexibility.

Grid Connection & Timeline Bottlenecks

The Automotive Action Plan must include actions to accelerate the rollout of charging infrastructure across Member States, including actions to address grid connection issues and the long and complex permitting procedures for installing charging points. Delays in accessing the grid, exacerbated by burdensome, opaque, and often non-digitalized application and approval processes, can extend project timelines by years. These processes vary widely between countries, and in some cases, grid access is outright denied. With over 2,400 highly decentralized Distribution System Operators (DSOs) across the EU, inconsistent procedures create major hurdles for charging companies aiming to scale nationally or across markets.

The European Commission needs to ensure that the capacity of European grid infrastructure is equipped for matching EV roll-out. Greater transparency about the grid capacity and substantial anticipatory investment is needed to transform the European grid into a digital, smart system capable of integrating more renewable energy and supporting increased electrification. The EU's Clean Industrial Deal and Electrification Action Plan should increase funding for grid development to improve efficiency, cybersecurity, and flexibility.

The Automotive Action Plan must provide supportive measures, such as:

- **Standardised Supply Inquiry:** A streamlined, fast approach to assess power supply at commercial locations, with instant or fast-tracked online inquiries resolved within 5 working days.
- **DNO Application Process:** A unified application system with guaranteed response times for quotes and additional inquiries, allowing multiple inquiries in one submission.
- **Dispute Resolution:** A clear complaints process to address delays or issues with DNOs, supported by a reporting system for OFGEM and government to monitor DNO performance.

Recommendations:

- European Commission to introduce a streamlined, standardised, permanent digital permitting system for EV charging projects and related grid technologies. This should include a mandatory permitting framework with a unified permit format, simplified procedures, bundled impact assessments and binding deadlines for public authorities



- European Commission to require Member States to allow charge point operators including captive fleet owners to use self-liability declarations which will accelerate the approval of construction and environmental permits
- European Commission to oblige Member States to rank and prioritise grid connection requests for all zero-emission technologies, with priority given to e-mobility, battery storage, solar and wind generation
- European Commission to mandate Member States to establish Pan-European capacity maps to coordinate with CPOs including captive fleet operators on locations already available to be connected to the grid and proactively plan the grid with third-party stakeholders

Promoting Flexibility

The European Commission should support the uptake of vehicle-to-grid technology (V2G) - as an important action for improving the cost benefits of EVs to consumers. We call on the European Commission to allocate funding to support the uptake of bidirectional charging technology, enabling electric vehicles to serve as vital Distributed Energy Resources[15].

Promoting flexibility requires standards for interoperability and bidirectional vehicle/charging infrastructure capabilities, sharing best practices via the EU DSO Entity, swift implementation of the EU Electricity Market Design Directive, upcoming ACER network codes, and resolving double taxation issues. Additionally, support for energy storage paired with ultra-fast charging technology is crucial to building efficient, reliable infrastructure that meets growing EV demand while ensuring grid stability.

Recommendations:

- European Commission to allocate funding to support the uptake of bidirectional charging technology
- European Commission to ensure timely implementation of ACER's upcoming Network Code on Requirements for Grid Connection of Generators and Network Code on Demand Connection
- European Commission to adopt internationally recognised open standards and protocols (OCPP, OCPI, OCSP and ISO15118)
- European Commission to provide guidance to Member States on supporting the integration of energy storage and ultra-fast charging technology.

[15] This investment would drive the commercialization of cost-effective solutions, enhance grid resilience, and ensure equitable access to sustainable energy across Europe.



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