Corporate Average Fuel Efficiency Norms – Vehicular Pollution

What is the issue?

- The government is considering advancing the 2030 deadline for Indian manufacturers to switch over to electric vehicles in bikes and three-wheelers segments.
- With manufacturers opposing it, targeting cleaner air through stricter CAFE norms instead is suggested.

What are the CAFE norms?

- CAFE (Corporate Average Fuel Efficiency/Economy)norms aim at lowering fuel consumption (or improving fuel efficiency) of vehicles.
- It is achieved by lowering carbon dioxide (CO_2) emissions.
- Thus, it serves the twin purposes of reducing dependence on oil for fuel and controlling pollution.
- Corporate Average refers to sales-volume weighted average for every auto manufacturer.
- The norms are applicable for petrol, diesel, LPG and CNG passenger vehicles.
- The CAFE regulations are in place in many advanced as well as developing nations, including India.
- CAFE regulations in India came into force from April 1, 2017.
- Under this, average corporate CO_2 emission must be less than 130 gm per km till 2022 and below 113 gm per km thereafter.
- In other words, it requires cars to be 10% or more fuel efficient between 2017 and 2021, and 30% or more fuel efficient from 2022, in terms of CO_2 emission.

Why is it important to India?

- Global automakers are attracted to make investments in India as vehicle penetration is still low here compared to developed countries.
- Also, pollution caused by the ever-increasing number of vehicles on road is worsening the air quality in many cities.
- Upgrading to stricter fuel standards is one way to tackle air pollution.
- In this context, CAFE norms assume importance in the light of their ability to

reduce the carbon footprint of the auto industry.

- Stricter CAFE targets can also lead to manufacturers moving to electric or strong hybrid vehicles over the medium to long-term to comply with the norms.
- This can complement other efforts at ensuring cleaner air through measures such as the -
    i. implementation of the BS VI emission norms from April 2020 onwards
    ii. the plan to shift to mass use of electric vehicles by 2030
    iii. incentives under the FAME (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) scheme
- [While CAFE regulations focus on reducing CO_2 emissions, BS VI focusses on other harmful exhaust from vehicles.]

What does India's Auto Policy specify?

- The Draft National Auto Policy given in early 2018 calls for developing a roadmap for reduction in CO_2 emissions through CAFE regulations.
- It aspires to match Indian CO_2 reduction targets to those set by developed countries by 2025.
- The Auto Policy also contemplates economic penalties for manufacturers who do not meet the targets.
- It also envisages a system where credits (for achieving more than the mandated fuel efficiency) can be banked and traded.

Source: Business Line

SHANKAR IAS PARLIAMENT
Information is Empowering