

Tighter Emission Norms

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Tighter Emission Norms: Impact on Automakers

Context : The government has identified eight carmakers, including Hyundai, Kia, Mahindra, and Honda, with fleet emission levels exceeding the mandated limits for the financial year 2022-23. This could result in penalties totaling approximately ₹7,300 crore.

Background

For 2022-23, the **Bureau of Energy Efficiency (BEE)**, under the Ministry of Power, required automakers to comply with India's stricter **Corporate Average Fuel Efficiency (CAFE)** norms.

Key Highlights

1. Tightened CAFE Norms:

- The norms were tightened from April 2022 under **Phase II**, reducing the average fuel consumption target to less than **4.78 liters/100 km** and CO₂ emissions to below **113 g/km**.

2. Testing and Penalties:

- Vehicle models from 18 manufacturers were tested under simulated real-driving conditions. Non-compliance led to penalties for the total cars sold during the year.
- Major penalties include:
 - **Hyundai:** ₹2,837.8 crore
 - **Mahindra:** ₹1,788.4 crore
 - **Kia:** ₹1,346.2 crore
 - **Honda:** ₹457.7 crore
 - **Renault:** ₹438.3 crore

3. Dispute Over Penalty:

- The auto industry has raised concerns about the calculation and quantum of penalties.
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About Corporate Average Fuel Efficiency (CAFE) Norms

1. Objective:

Introduced in 2017 under the **Energy Conservation Act, 2001**, CAFE norms aim to reduce fuel consumption, CO₂ emissions, air pollution, and dependency on oil.

2. Applicability:

- Covers passenger vehicles under 3,500 kg GVW, including petrol, diesel, LPG, CNG, hybrid, and electric vehicles manufactured or imported for sale in India.
- Applies to the corporate average fuel consumption of all vehicles sold annually, not individual models.

3. Phases:

- **Phase I (2017-2022):** Target fuel consumption <5.49 liters/100 km; CO₂ emissions <130 g/km.
- **Phase II (2022 onwards):** Stricter targets of <4.78 liters/100 km and CO₂ emissions <113 g/km.

4. Calculation:

- **Corporate Average Fuel Consumption (CAFC):** Calculated based on the average curb weight and fuel consumption of all vehicles sold in a fiscal year.
- **CO₂ Emissions:** Set at a maximum of 113 g/km post-2022.

Implications

- **For Automakers:** Significant financial penalties could pressure manufacturers to enhance fuel efficiency and adopt greener technologies.
- **For Policy:** Strengthens India's commitment to reducing emissions and transitioning towards sustainable mobility.

