

5-Min Monthly Read July 2025

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EPA Releases Proposal to Rescind GHG Endangerment Finding

The U.S. EPA has released a proposal to rescind the 2009 GHG Endangerment Finding, which provides a rationale for greenhouse gas standards for the transportation sector. This is a proposal, not a final rule, so there will be a comment period and likely severe litigation before it gets finalized.



In the words of the EPA -

"If finalized, this proposal would remove all greenhouse gas standards for light-, medium- and heavy-duty vehicles and heavy-duty engines, starting with EPA's first greenhouse gas set in 2010 for light-duty vehicles and those set in 2011 for medium-duty vehicles and heavy-duty vehicles and engines— which includes off-cycle credits like the much hated start-stop feature on most new cars."

This follows two significant previous actions by this administration, one to revoke waivers given to California to set its own emission and EV standards, and another to initiate a reinterpretation of NHTSA fuel economy standards.

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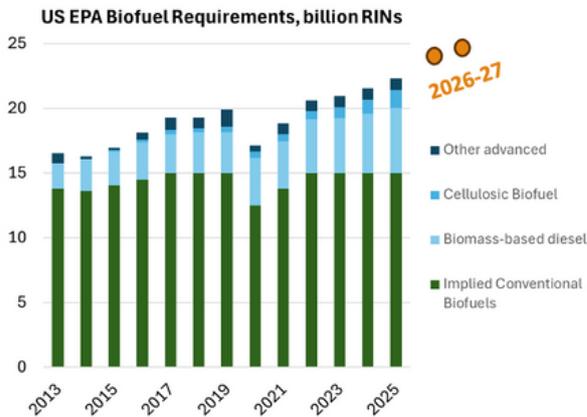
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Policies, Regulations, Reports

U.S. Renewable Fuel Standards & 45 Z Tax Credit

The EPA has proposed the 2025–2027 Renewable Fuel Standard (RFS), which signals a strategic shift away from reliance on foreign fuels.

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Effective 2026, the Clean Fuel Production Credit applies only to fuels using feedstock from the U.S., Mexico, or Canada, and runs through 2029.

From 2025 to 2027, overall Renewable Identification Number (RIN) requirements will rise 9.5%. Eligible RINs for imported renewable fuels or those using foreign feedstocks will be cut by 50 %, increasing demand for U.S.-made fuels like biodiesel.

Separately updated are the provisions in Section 45Z Clean Fuel Production Credit. Both of these topics are summarized at this [link](#).



One Big Beautiful Bill – Provisions for transport

The One Big Beautiful Bill was enacted on July 4th, 2025. Some of the elements pertinent to transport:

1. Elimination of Corporate Average Fuel Economy (CAFE) Civil Penalties – with the corollary effect of diminishing the tradeable compliance credits.
2. Modification of the Clean Fuel Production Credit (45Z) – including provisions that promote domestic production of bio-/renewable fuels
3. Termination of Clean Vehicle Credits
 - o Up to \$7,500 for passenger EVs
 - o Commercial Clean Vehicle credits (45W)
4. Termination of Clean Hydrogen Fuel Credit (45V)
5. Cancellation of funding for various environmental grants

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NHTSA Signals Fuel-Neutral Shift in CAFE Standards

In June 2025, National Highway Traffic Safety Administration (NHTSA) released an [interpretive rule](#) signaling a shift in how future CAFE and medium- and heavy-duty (MDHD) fuel standards will be set.

What's Changing:

- EVs and alternative fuel vehicles will no longer count toward “maximum feasible” fuel economy targets.
- Plug-in Hybrids (PHEVs) must be evaluated based on gasoline use only.
- Credit trading and transfers will be excluded from cost assessments.



Why It Matters:

- The rule does not change current standards, but sets the stage for future rulemakings.
- NHTSA will explore deregulatory options, revise vehicle classification rules, and may revisit the footprint-based standard structure.



California doubles down on EV and Emission Agenda

Light-Duty: Forget ACC II, we are now thinking of ACC III

In response to ongoing federal challenges to state-level vehicle emissions rules, Gov. Newsom has published an Executive Order reaffirming the commitment to accelerate the rollout of zero-emission technologies across passenger, medium and heavy-duty vehicles. The state has directed California Air Resources Board (CARB) to advance the development of the Advanced Clean Cars III regulation.



CARB will maintain a list of compliant manufacturers to guide state fleet procurement decisions, prioritize funding opportunities, and shape future regulatory flexibility.

Heavy-Duty: ACT Rule Modified to include Pooling & Cross-Class Credit Trading

CARB has amended its Advanced Clean Truck (ACT) and Zero-Emission Powertrain (ZEP) rules to offer manufacturers more flexibility while upholding emissions goals.

Key Changes:

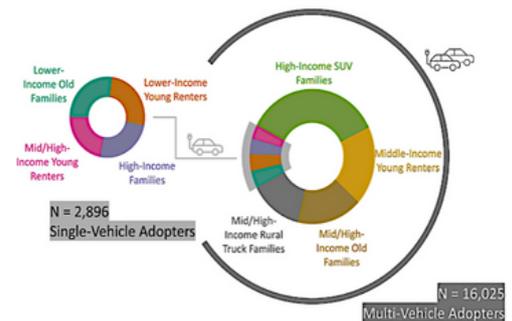
- Credit pooling across ACT states
- Cross-class deficit offsets for Class 7-8 tractor group with Class 2b-3 or Class 4-8 group ZEV credits
- Adjusted minimum all-electric range requirements for NZEVs
- More flexible ZEV credit retirement
- Updated connector standards for powertrain certification



California EV Adoption: 47% of Households Lagging Behind ZEV Targets

A new analysis of 18,921 California plug-in electric vehicle (PEV) adopters reveals that EV adoption is highly uneven across the state. Researchers identified eight adopter clusters – four among single-vehicle households and four among multi-vehicle households—based on ownership behavior and socioeconomic traits.

The study highlights that without action, ZEV supply may concentrate among early adopters, widening equity gaps.



Key Findings:

- 47% of Californians risk missing EV targets due to low adoption.
- Adoption gaps persist even with 100% ZEV sales by 2035.
- Older and single-vehicle households face cost/access barriers.
- Affluent households show low EV uptake due to non-financial hurdles.

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Note: Some of these updates are based on recent discussions of MobilityNotes in India

What's Next for India's Bharat Stage 7 (BS 7) Emission Standards?



India is expected to roll out BS 7 by 2028–2030, following WLTP adoption in 2027. A draft regulation, likely modeled on Euro 7, is under review by multiple subcommittees. While bold anti-pollution measures are on the table, industry concerns over rising costs and regulatory overlap with Corporate Average Fuel Economy (CAFE) and EV mandates remain a challenge. [Click Here](#) to dive deeper.

Tata Motors to acquire IVECO Group



Tata Motors is acquiring the IVECO Group for 3.8 billion euros, to create a global player in commercial vehicles. The defense portion of the Iveco group is not included in this deal.

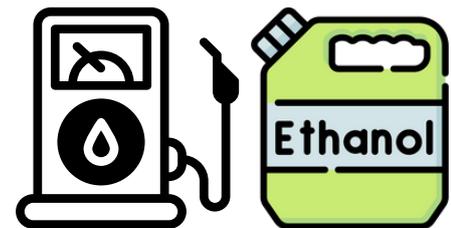
India proposes next fuel efficiency norms for heavy commercial vehicles

India's Bureau of Energy Efficiency (BEE) has drafted a proposal for the next level of fuel efficiency standards for commercial vehicles.

- N1 category of vehicles are included for the first time.
- Fuel consumption baselines are redefined for M2, M3, N2, and N3 commercial vehicles, and new targets will be 30% lower than the baseline
- EVs and fuel cell vehicles will be given supercredits

India's Clean Fuel Push: Ethanol, Hydrogen, and Beyond

India has reached its 20% ethanol blending target and plans to go higher, with regulators assessing emissions impacts based on Brazil's experience. On hydrogen, falling green H₂ costs are driving momentum, as debates continue over Hydrogen Internal Combustion Engines (H₂-ICE) vs. fuel cells for future mobility.



India's EV Market: Progress and Challenges



India is progressing steadily on EV adoption, supported by government incentives. However, BEVs still represent less than 2% of passenger car sales, mainly due to limited charging infrastructure and supply concerns, including recent restrictions on rare earth exports from China. Domestic players like Tata and Mahindra are expanding their EV offerings, with Tesla adding global attention.

Electric two-wheelers are growing, while electric three-wheelers now make up over half of recent sales. City buses are seeing increased electrification, though CNG remains a key part of many urban fleets.

2024 BEV share in Europe down by 1%, tailpipe CO₂ emissions up by 2.5%

New provisional data from the European Environment Agency (EEA) show a 2.5% increase in average tailpipe CO₂ emissions from newly registered cars and vans across the EU, Norway, and Iceland in 2024.



European
Environment
Agency

- Passenger car CO₂ Emissions rose to by 0.4 g/km vs. 2023 to 106.8 g/km. BEV share decreased from 15.5% in 2023 to 14.5% in 2024.
- Van registrations increased by 9% to 1.3 million. Electric van share fell from 8.3% to 6.4%, pushing average emissions from 180.8 to to 185.4 g CO₂/km.

Tracking with 2025 target

This increase in CO₂ further highlights the challenges the industry will face when meeting the upcoming target of 95 g/km starting 2025. The EU Parliament has recently proposed a relief of allowing manufacturers to meet the standard by averaging over the next three years,

First Megawatt Truck Charging Hub Hits Europe

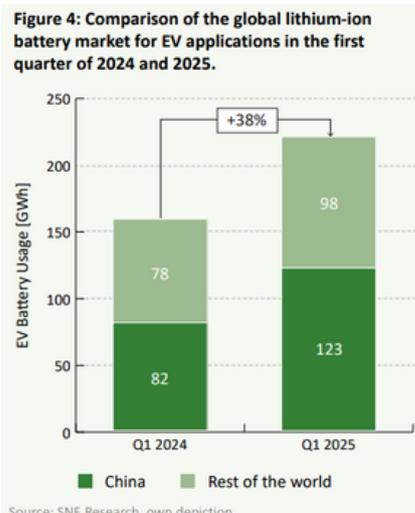


Milence and Volvo have unveiled Europe's first public Megawatt Charging System (MCS) for trucks near Gothenburg, marking a key step in building the continent's first MCS corridor.

Milence is building a 1,500 km EV corridor from Antwerp to Stockholm, part of an EU plan to deploy 284 chargers and drive clean freight forward.

The MCS delivers capacity of up to 1,440 kW (1,500 A, 1,000 V). This enables Volvo's FH Aero Electric truck with 780 kWh batteries and 600 km range to be charged from 20% to 80% within ~ 40 mins, perfectly timed with EU legislated driver rest breaks. The default charging tariff is €0.399 per kWh (excl. VAT) - translates to ~ €250 per charge for the electric truck above.

Europe's Battery Industry: Holding the Line, Eyeing the Lead



The latest Important Project of Common European Interest (IPCEI) Batteries Market Analysis for Q2 2025 reveals important trends shaping the global electric vehicle (EV) and battery sectors, with a special emphasis on Europe's evolving market.

Global EV sales reached a record 17 million in 2024, led by China's 11.6 million. Europe's growth stalled at 3.1 million but rebounded with a 20% increase in Q1 2025 EV registrations.

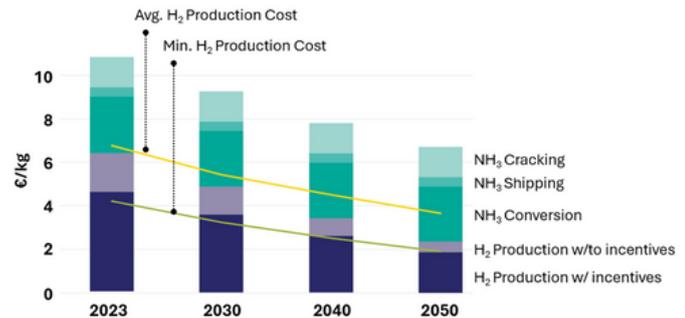
Li-ion batteries on delivered EVs grew by 60 GWh in Q1 2025 compared to Q1 2024, with 2/3rd or 40 GWh of this growth seen in China alone.

The report highlights some of the recent challenges for battery manufacturers recently in Europe as the EV market stalled, and cautions that the Northvolt bankruptcy is a good reminder that "nominal production capacity is a theoretical value that does not equate to actual production."

Can Europe Rely on Imported Green Fuels to Decarbonize Aviation and Shipping?

Renewable hydrogen and e-fuels are seen as key pathways to decarbonizing hard-to-abate sectors like aviation and maritime in Europe. But a new [study](#) reveals that importing these fuels—such as from Brazil and Egypt—may not be the silver bullet.

- Importing H₂ as ammonia from Brazil could cost 50% more than EU-based production.
- E-diesel prices are expected to exceed €2/liter by 2030, more than double today's diesel prices—even with carbon pricing.
- Still, imports from Brazil or Egypt may be ~20% cheaper than producing e-diesel in the EU.



Air Liquide investing > €500M to produce 23,000 tons of green H₂ starting 2027

Air Liquide has [announced](#) its final decision to invest over 500 million Euros to build and operate a 200 MW electrolyzer plant in the Port of Rotterdam. The plant is expected to produce 23,000 tons of renewable H₂ annually, starting 2027, and reducing up to 300,000 tons of CO₂ emissions per year. This electrolyzer is a first of its kind integrating both Proton Exchange Membrane and Alkaline technologies on the same site.

UPCOMING EVENTS

116th Annual Growth Energy Biofuels Summit, Sept 8 – 11, 2025, Washington, D.C.

<https://growthenergy.org/event/2025-biofuels-summit/>

17th Intl. Conf. on Engines & Vehicles for Sustainable Transport, Sept 14 – 17, Capri, Naples, Italy

<https://www.sae-na.it/index.php>

COMVEC™, September 16 – 18, Schaumburg, Illinois

<https://comvec.sae.org/>

The Aachen Colloquium Sustainable Mobility, October 6 – 8, Aachen

<https://www.aachener-kolloquium.de/en/>

SAE Brazil 2025 Congress, October 6 – 8, Brazil (place TBD)

<https://saebrasil.org.br/eventos/congresso-sae-brasil-2024-258/>

Non-Road Powertrain & Fuels Europe 2025, October 7 – 8, Munich

<https://conferences.emissionsanalytics.com/nonroad-eu25/index.html>

2025 Energy & Propulsion Conference & Exhibition, October 14 – 16, Ypsilanti, Michigan

<https://www.sae.org/attend/energy-propulsion-conference>

Powertrain Systems for a Sustainable Futures Conference 2025, November 6 – 7, Warwick, UK

[Event Website](#)

Sustainable Energy & Powertrains, November 25 – 26, Stuttgart, Germany

<https://www.fkfs-veranstaltungen.de/en/veranstaltungen/sustainable-energy-powertrains>