5-Min Monthly Read February 2026

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Industry voices need for a new regulatory paradigm at the SAE Govt. Industry meeting

The annual SAE Government Industry meeting was held in Washington DC on January 20 - 22, 2026. Panels covered a broad range of topics, spanning regulatory uncertainty, light- and heavy-duty vehicles, autonomous and electrified vehicles, role of renewable fuels and critical minerals.

The keynote address by Toyota emphasized the need for a new regulatory paradigm, one which provides more stability rather than a complete deregulatory agenda, relying on elements of technology neutrality, well-to-wheel analysis, and achievable incremental progress keeping in mind affordability and consumer choice.

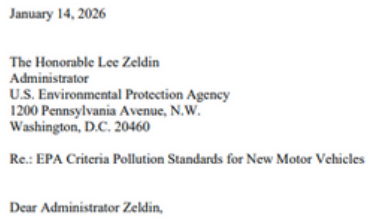
EPA Moves to Drop Monetized Health Benefits from Clean-Air Rules

The EPA plans to stop assigning dollar values to the health benefits of its clean-air regulations. This was included in a recent final rule on stationary combustion turbines. The EPA argues that there is a large uncertainty with the monetary benefits of reduced air pollution, which provides a "false sense of precision" than the underlying science could support.

Critics say the shift could make it easier to roll back pollution limits and runs counter to the agency's public-health mission, while the EPA says health impacts will still be considered but not monetized. The change is likely to face legal challenges and could have broad implications for future air quality rules.

Policies, Regulations, Reports

Health and Environmental Groups Urge EPA to Stay the Course with Tier 4 and HD Low NOx


January 14, 2026

The Honorable Lee Zeldin
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re.: EPA Criteria Pollution Standards for New Motor Vehicles

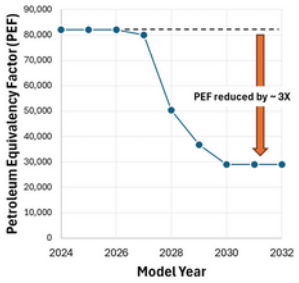
Dear Administrator Zeldin,

75 health, environmental and consumer groups have sent a letter to EPA Administrator Lee Zeldin opposing any weakening or delay of Light- & Medium-Duty Multi-pollutant, and HD Low-NOx regulations

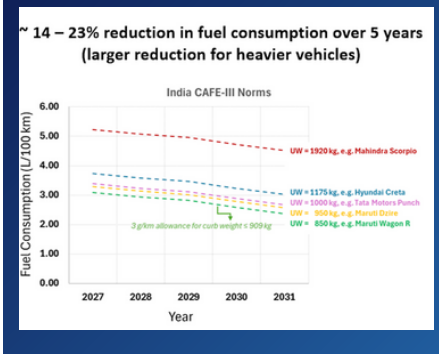
They warn that weakening the rules would increase harmful tailpipe pollution, worsen health outcomes, and disproportionately impact vulnerable communities. The letter provides examples of technologies, such as GPFs, which have already been commercialized in other regions of the world, at a small incremental cost, providing significant health protection.

DOE Amends Petroleum Equivalency Factor following Court Decision

The U.S. Department of Energy is removing the revisions it had adopted on the calculation of the petroleum equivalency factor (PEF), following a ruling by the U.S. Court of Appeals for the Eighth Circuit on March 29, 2024. The PEF essentially allows the calculation of the fuel economy of an electric vehicle in miles-per-gallon units. It was set to be reduced by a factor of 3, as shown in the figure, but this is now canceled. This factor determine EV contribution to meeting the CAFE standards.



India to Finalize CAFE-3 Fuel Efficiency Norms Within 8 Days



India's Road Transport and Highways Minister Nitin Gadkari said that the new Corporate Average Fuel Efficiency (CAFE-3) norms will be finalized within the next eight days.

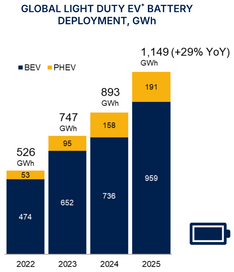
The proposed CAFE-3 regime, set for implementation from FY28 to FY32, would tighten permissible fuel consumption to a range of 3.7264–3.0139 L/100 km and cut average fleet emissions to below 91.7 g CO_2/km, pushing automakers toward fuel-efficient vehicles. Smaller vehicles get up to a 3 g-CO2/km break.

India Rolls Out Battery Pack Aadhaar for EV Battery Tracking

India's Ministry of Road Transport & Highways has issued the Battery Pack Aadhaar Guideline, assigning a unique digital ID to EV and industrial batteries above 2 kWh to improve traceability, safety, and recycling. SLI and portable consumer batteries are excluded.

Each eligible battery pack must receive a unique 21-character BPAN with a QR code. The system links manufacturing and lifecycle data on a centralized platform, with only basic details public and full access limited to authorized stakeholders. Read our article for more information.

New Battery Reports



The Volta Foundation has released its 2025 Battery Report, the sixth edition of its leading global battery industry analysis. Created with input from 120 experts across 90+ institutions, it provides an open-access overview of trends in battery technology, markets, supply chains, recycling, and workforce. Access the report here. A new McKinsey report finds the global battery industry at a turning point as demand is projected to reach 6.8 TWh by 2035 despite falling prices and oversupply pressures.

Policies, Regulations, Reports

EU Proposes Amendments to Heavy-Duty Vehicle CO_2 Regulation

EUROPEAN COMMISSION

The European Commission has proposed amendments to the Heavy-Duty Vehicle CO_2 Regulation (EU) 2019/1242.

This allows manufacturers to earn higher emission credits for emitting below their respective CO2 targets before 2030. The proposal keeps existing CO_2 targets intact while giving manufacturers more flexibility to generate and bank credits ahead of 2030.

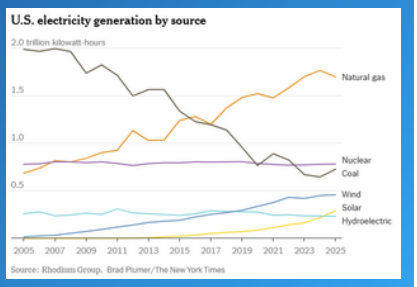
UK Consults on New CO_2 Emissions Framework for HGVs

The UK government has launched a consultation on new rules to cut CO_2 emissions from heavy goods vehicles, including manufacturer performance targets and phase-out dates for new non-zero-emission HGVs—2035 for vehicles up to 26 tonnes and 2040 for all HGVs.

The consultation seeks industry and stakeholder input to shape long-term rules that reduce emissions while providing regulatory certainty for manufacturers and fleet operators.

U.S. Greenhouse Gas Emissions Increased in 2025 as Coal Power Rebounded

U.S. greenhouse gas emissions rose an estimated 2.4% in 2025, reversing two years of decline, according to preliminary data from the Rhodium Group. The increase was driven largely by higher electricity demand—boosted by commercial buildings, data centers, and colder winter weather—leading utilities to burn about 13% more coal than in 2024 to meet power needs.



While emissions remain below pre-pandemic levels, the uptick broke a recent trend of emissions growing more slowly than the economy and highlights challenges in maintaining long-term decarbonization progress. Solar generation grew strongly, but coal's rebound underscored the need for accelerated clean energy deployment to keep emissions on a downward trajectory.

DOE Realigns to Boost Critical Minerals and Energy Innovation

U.S. DEPARTMENT of ENERGY

The U.S. Department of Energy (DOE) has restructured its Office of Critical Minerals and Energy Innovation (CMEI) to better align federal programs with the nation's most urgent energy and security needs.

Under the new framework, CMEI is organized into three pillars:

- The Office of Critical Minerals, Materials, and Manufacturing — strengthens mineral supply chains, battery innovation, and recycling.
- The Office of Energy Technology — advances R&D and commercialization of next-generation energy systems and grid solutions.
- The Office of Innovation, Affordability, and Consumer Choice — supports standards, codes, and programs that drive clean technology adoption and affordability.

The focus areas pertinent to mobility include Advanced Materials & Manufacturing Technologies, Hydrogen and Fuel Cell Technologies, and Vehicle Technologies.

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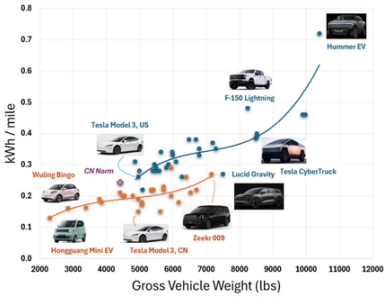
GET IN TOUCH

Electrification

China on the move ...

China Mandates World's First EV Energy-Efficiency Standard Starting 2026



China has set an efficiency limit of 15.1 kWh/100km (0.243 kWh/mile) for electric passenger cars. This rule (GB 36980.1—2025) went into effect January 1st, 2026 and is seen as a major step in setting energy efficiency standards for electric vehicles, leading to improved batteries and driving range. Our analysis shows that the targets can be easily met with current popular EVs in China.

China Mandates "No Fire, No Explosion" Standard for EV Batteries

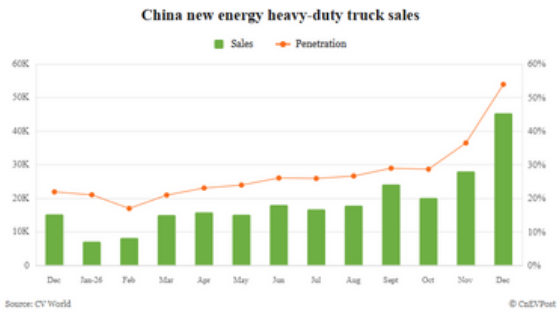
China has finalized 294 national standards strengthening EV battery safety, including new requirements aimed at preventing fires and explosions. The updated rules set strict criteria for addressing thermal runaway, with approved standards covering testing methods, design requirements, and safety performance for battery systems.

Canada to allow Chinese EVs into market with greatly reduced tariff rate

Canada is launching a new Canada–China partnership : Canada will allow up to 49,000 Chinese electric vehicles (EV) into the Canadian market, with the most-favored-nation tariff rate of 6.1% (down from 100% previously).

This represents less than 3% of the Canadian market for new vehicles sold in Canada, but it signals a shift in NA relations with China. It is anticipated that, in five years, more than 50% of these vehicles will be affordable EVs with an import price of less than $35,000. Currently, the EV market in Canada is dominated by US brands, and the entry of Chinese EVs is being eyed as one with broader strategic implications.

Over a quarter million electrified trucks sold in China, in 2025



China's heavy-duty trucking market saw a surge in new energy vehicle (battery-electric, plug-in hybrid, and extended-range electric) sales. In 2025, new NEV registrations reached 231,000, a nearly 3-fold increase compared to the previous year. The surge is partly attributed "impending expiration of trade-in subsidies and consumers anticipating additional new energy vehicle (NEV) purchase tax costs in 2026".

Part of the success is attributed to CATL's launch of standardized battery swapping in 2025.

CATL Signs $17.2 B Battery Materials Deal with Ronbay

CATL has signed a major long-term deal with Ningbo Ronbay to supply about 3.05 million tonnes of LFP cathode materials from 2026–2031, worth over RMB 120 billion (~$17.2 billion). The agreement, one of the largest in the lithium and battery industry, aims to strengthen CATL's upstream supply amid rising lithium prices and surging demand.

(File photo shows a CATL battery pack. Image credit: CnEVPost)

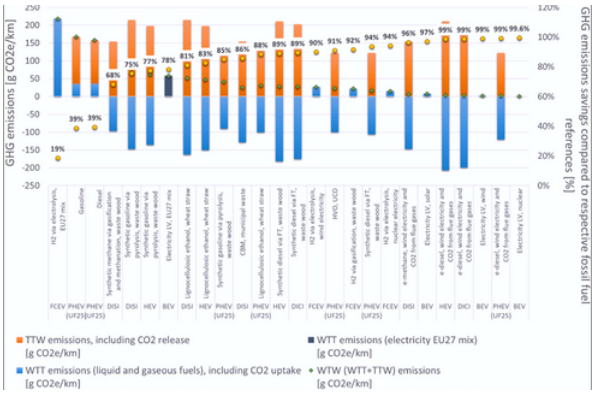
Electrification

GM's EV Pullback Costs Billions as Market Shifts

General Motors reported a $6 billion charge tied to scaling back its electric vehicle plans, reflecting costly contract cancellations, supplier settlements, and asset write-downs as the U.S. EV market cools and federal incentives like the $7,500 tax credit have expired. This latest charge comes on top of $1.6 billion charge it disclosed in October for changes to its EV plans.

GM attributes the financial impact to weaker EV demand and policy changes, even as it continues to sell electric models and maintains its broader EV lineup. The shifts underscore the challenges traditional automakers face balancing earlier electrification investments with evolving market conditions and regulatory support.

Well-to-Wheel Analysis Highlights Road Transport Decarbonization Pathways



A new European study compares GHG emissions across 26 passenger car powertrain–fuel combinations. It finds renewable-powered battery EVs deliver the deepest cuts, with 97–almost 100% emissions savings versus fossil fuels. Fuel cell vehicles using waste-based hydrogen and diesel vehicles running on wind-derived e-diesel also show strong reductions, highlighting the need for region-specific, lifecycle-based decarbonization strategies.

Delhi to Allow Private EVs and BS-VI Cars as Taxis

The Delhi government plans to permit privately owned electric vehicles and BS-VI compliant cars to operate as taxis, easing current restrictions on commercial use. Ride-hailing platforms such as Ola and Uber are expected to onboard eligible vehicles once the rules are updated.

The move aims to expand shared mobility options, boost EV adoption, and help reduce congestion and air pollution in the capital.

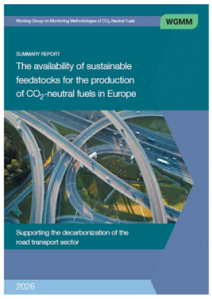
Fuels & Engines

Year-round E15 facing headwinds

The Renewable Fuels Association (RFA) has expressed strong disappointment after Congress omitted provisions to allow nationwide, year-round sales of E15 from a key House funding bill. Lawmakers instead plan to establish a new "Rural Domestic Energy Council" to study future legislative options on E15 and other renewable fuel issues.

In related news, India's ethanol makers are also calling for a 1–2% increase in the petrol blending mandate to counter 50% capacity underuse.

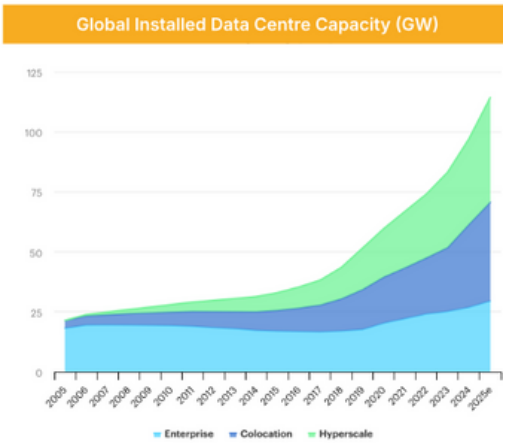
Europe Has Sufficient Feedstocks for CO_2-Neutral Fuels



A new report from the WGMM finds that Europe has ample sustainable feedstocks—such as agricultural and forestry residues, biowaste, and renewable fuels of non-biological origin—to support CO_2-neutral fuels for road, aviation, and maritime transport through 2050. The analysis estimates potential renewable fuel supply of 239–386 Mtoe, exceeding projected transport demand in most scenarios.

Gensets

Engines poised to meet growing power demand for data centers



According to the Volta Foundation Battery Report mentioned earlier, global data center capacity has surpassed 100 GW in 2025. Due to long lead times for GW-scale power buildout, major players are using on-site power generation and energy storage.

Generator sets remain critical to meet such growing demand from data centers and industry. The diesel and natural gas generator market is projected to grow from 1.4 million units in 2025 to about 1.59 million by 2030, driven by demand for high-spec engines in essential applications.

MobilityNotes Conference List
Plan your conference/travel - Download a list of noteworthy events in 2026 here

13th International Engine Congress Feb 24–25 Baden-Baden, Germany (also virtual) https://www.vdiconference.com/engine-congress/

On-Board Diagnostics Symposium – Europe (OBD-EU), Mar 3–5, Vienna, Austria https://www.sae.org/events/onboard-diagnostics-symposium-europe

CONEXPO-CON/AGG, Mar 3–7, Las Vegas, Nevada, https://www.conexpoconagg.com

Hybrid to Zero — Maritime Hybrid & Zero-Emission Ships, Mar 11–12, Oslo, Norway https://maritime-innovations.com/event/maritime-hybrid-zero-emission-ships-conference-hybrid-tozero-2026/