5-Min Monthly Read January 2026

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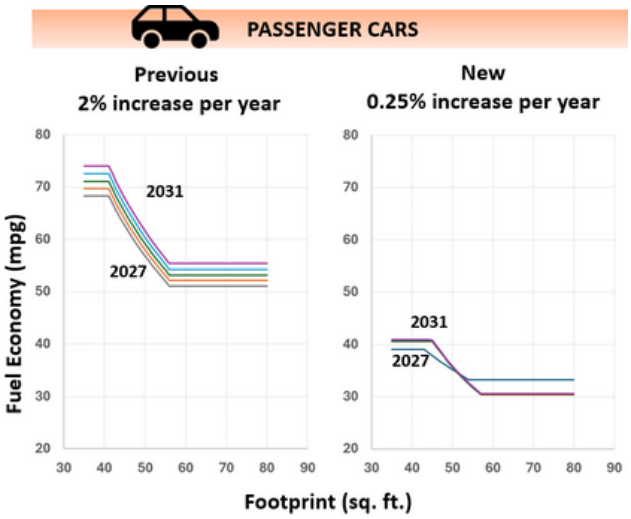
Note - Read the MobilityNotes Conference List at the end of this newsletter ..

NHTSA resets fuel economy standards

The National Highway Traffic Safety Administration (NHTSA) has published a Notice for Proposed Rulemaking (NPRM) resetting the CAFE standards for Model Years 2022 to 2031 Passenger Cars and Light Trucks. The new rule builds upon the previous interpretive rule by NHTSA which concluded that factoring in EVs led to overly stringent standards.

The rule makes significant changes, including changing the definition of passenger cars and light-duty trucks, and requires a 0.25 - 0.5% improvement in fuel economy through 2031.



Read the MobilityNotes summary notes here.

Europe proposes pragmatic changes to the 0 g/km 2035 tailpipe standard

In a significant change from the previous target of 100% reduction in tailpipe CO2 emissions from passenger cars starting 2035, the EU Commission has proposed a 90% reduction instead, compared to a 2021 baseline. This change is proposed to be offset through the use of green steel and use of renewable fuels.

Read the MobilityNotes summary notes here.

Policies, Regulations, Reports

EPA Keeps 2027 Truck NO_x Deadline in Place

The EPA has rejected trucking industry requests to delay its 2027 heavy-duty NO_x emissions rule, confirming the tighter standards will take effect as scheduled. The rule requires more than an 80% cut in NO_x and tougher durability and warranty requirements.

EPA says it may adjust some compliance details in 2026, but the 2027 start date will not change.

CARB Proposes New Pathways for Reducing Emissions from HD Trucks

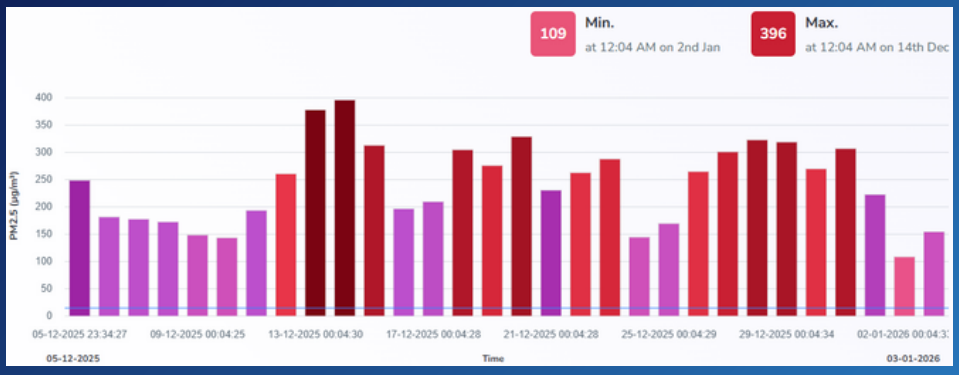
California Air Resources Board (CARB) held the "Drive Forward" Workshop on Heavy-Duty standards, outlining key concepts it is evaluating to address emission reductions following the recent changes that limit its authority to set independent standards.

Key elements presented include:

- Alignment with EPA Low NOx rule while incentivizing early adoption and providing CO2 and NOx credits for ZEVs
- New methods for real world testing
- Continuing with trailer standards (removed by EPA) and
- Standards for non-exhaust emissions from brakes & tires

Earlier, CARB postponed action on three major items—the Heavy-Duty Omnibus rule, LCFS amendments, and Emergency Vehicle Emissions regulations—originally scheduled for its November 20, 2025 meeting.

Why India's AQI Stops at 500 — Even When Pollution Soars



PM2.5 in Delhi in the last month : Min. 109 & Max 396 ug/m3

Note: WHO recommendation is 15 ug/m3

As smog blankets northern India, air quality readings vary widely. Official monitors like SAFAR and SAMEER cap the Air Quality Index (AQI) at 500, while private trackers such as IQAir often exceed 600 or even 1,000.

The 500 ceiling, set over a decade ago to avoid public panic, now masks the true severity of pollution. Levels above 500 are treated the same, even as health risks keep climbing.

It is common to see articles ascribing much of the pollution in Delhi to crop / trash burning and other sources from adjacent areas. A recent article challenges that notion, and suggests that the transport sector is the main contributor to urban pollution.

Electrification

Ford pivoting from all-electric to range-extended F-150 Lightning

Ford has announced that it will discontinue production of the all-electric F-150 Lightning truck and replace it with a hybrid Extended Range Electric Vehicle (EREV) option instead, touting a range of 700+ miles and increased payload & towing capacity. This is attributed to declining EV sales and over $13 billion in losses for the Model E division in less than three years.

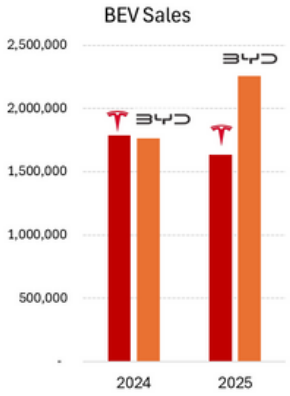
The end of federal incentives for electric vehicles is seen as a further headwind: in November 2025, only 1,006 units were sold, a 72% decrease following the expiration of the $7,500 federal tax credit.

BYD surpasses Tesla as highest BEV seller

BYD sold ~ 2.25M BEVs in 2025, nearly 600,000 more vehicles than Tesla. Note that this is a comparison of BEVs only - BYD sold an additional 2,288,709 PHEVs in 2025. One of the main reasons attributed to increasing popularity of BYD is affordability: its BEVs, on average, are roughly priced at half that of Tesla in China and 40% lower in Europe.

We will include a comparison with other OEMs in the next newsletter.

To combat lower demand, Tesla has begun offering short-term rentals at select California stores—$60–$90/day with free Supercharging and access to Tesla's Full Self-Driving (Supervised) mode.



Nio Pulls Back on 150 kWh Semi-Solid Battery Amid Weak Demand

Nio has quietly discontinued production of its flagship 150 kWh semi-solid-electrolyte battery pack, less than two years after touting it as a breakthrough in ultra-long-range EVs. The battery — which promised up to 1,000 km+ range per charge — saw only a few hundred units produced before the automaker halted manufacturing.

Low adoption stemmed from high cost and limited demand. Partly due to a robust battery-swap network, users prefer 75-100 kWh packs instead of paying for long-distance capacity.

India issues new Battery Pack "Aadhar" guidelines

India has issued guidelines on "Battery Pack Aadhaar", a digital identification and data storage system developed to ensure end-to-end traceability of batteries throughout their entire lifecycle. We will provide a detailed summary of the document on the website soon.

China pushes connected vehicles, EV manufacturers warn of EV slowdown

China will reduce the exemption of NEV (new energy vehicle) purchase tax from 100% to 50% exemption starting Jan 1, 2026, with further incentive phase-outs being considered. Major EV manufacturers warn that this move could result in a potential slowdown for the EV market.
China's Ministry of Industry and Information Technology (MIIT) have proposed conditional approval for Level 3 autonomous vehicle production and encouraging revisions to road safety and insurance laws. Automakers are accelerating the testing of autonomous vehicles, with some commercialization expected in 2026.

Newsletter continues below ...

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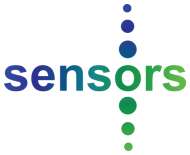

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GET IN TOUCH

Fuels & Engines

EU Unveils Investment Plan to Scale Clean Aviation & Shipping Fuels

The European Commission has launched a new Sustainable Transport Investment Plan to accelerate renewable and low-carbon fuel production for aviation and maritime sectors.

The roadmap supports the ReFuelEU Aviation and FuelEU Maritime targets, requiring ~20 million tonnes of sustainable fuels by 2035. It estimates a need for €100 billion in public–private investment, with €2.9 billion already set to be mobilized by 2027.

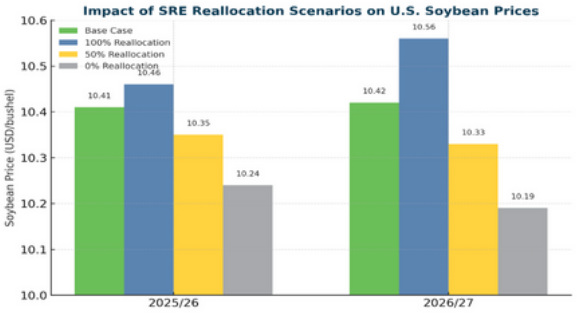
Industry Calls for Use of "Carbon Correction Factor" for Renewable Fuels in EU

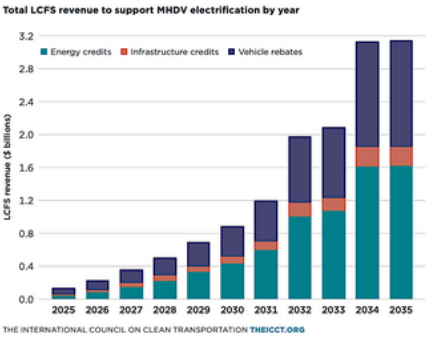
FuelsEurope is urging the EU to update its CO_2 standards for cars and vans to formally recognize renewable fuels—including advanced biofuels and e-fuels—as compliant pathways alongside electrification.

The group argues that a technology-neutral approach would accelerate decarbonization, support investment, and allow both new and existing vehicles to contribute to emissions cuts, rather than relying solely on zero-tailpipe EVs under the current 2035 phaseout framework. It proposes the use of a "carbon correction factor" which accounts for the share of renewable fuels to adjust the tailpie CO2 emissions. Read the published article here

Clean Fuels Presses EPA on 2026–27 RFS Rule

Clean Fuels Alliance America is urging EPA to finalize the delayed 2026–27 Renewable Fuel Standard rule and fully reallocate all Small Refinery Exemptions (SREs). The group warns that unaccounted exemptions could slash demand for biodiesel and renewable diesel by billions of gallons and cost farmers up to 40 cents per bushel of soybeans. Read more





LCFS Amendments Could Deliver Billions for Electric Trucks

A new ICCT analysis finds that California's updated Low Carbon Fuel Standard could generate $4–16 billion for medium- and heavy-duty truck electrification through 2035, depending on credit prices.

Under mid-range conditions, the LCFS could provide $8.4 billion for charging infrastructure and $6 billion for point-of-sale truck incentives — far more than past funding levels.

GREET 2025 Released

The GREET team at the Life Cycle Analysis and Technology Assessment Department of Argonne National Laboratory has released the latest (2025) version of the tool. The Excel version is available for download, and a summary of the updates is available here. Get in touch if you need details (article in the works).

Fuels & Engines

Hyundai Launches 1 GW Green Hydrogen Project, Targets Electrolyzer Exports

Hyundai Motor Group has unveiled a major push into green hydrogen, announcing a 1 GW production project in southwestern South Korea and plans to mass-produce PEM electrolyzers for domestic and global markets. The initiative is part of an $86 billion national investment program to accelerate clean-energy growth.

A new Ulsan facility, set to open in 2027, will produce 30,000 fuel-cell units a year alongside the country's first large-scale electrolyzer manufacturing line. Hyundai aims to build a full hydrogen value chain—leveraging renewables, refueling infrastructure,and export capacity.

ExxonMobil Advances Low-Emission Hydrogen Production

ExxonMobil is accelerating its low-emission hydrogen strategy partnering with BASF to scale methane pyrolysis, a process that produces hydrogen without CO_2 by converting methane into solid carbon. A new Baytown, Texas demo plant will produce 2,000 tons of H2 annually.

The company is also testing hydrogen-ready industrial burners at Baytown that can cut CO_2 emissions by up to 90%.

Industry calls for Acceleration of H2 Technologies for Trucking in Europe

Hydrogen Council

More than 200 CEOs and senior executives from the world's leading businesses in hydrogen met in Seoul for the Hydrogen Council's Global CEO Summit 2025. The leaders signed a message highlighting the need for stronger policy action to increase demand, pragmatic regulations, building out infrastructure, alignment on global standards, and the need for strong public-private partnerships.

H2Accelerate

The H2Accelerate collaboration has released a whitepaper urging Europe to support H_2-ICEVs as a rapid, cost-effective path to decarbonizing heavy-duty transport. H_2-ICEVs now count as zero-emission under EU CO_2 rules. H2Accelerate calls for equal incentives, tax treatment, and infrastructure access for H_2-ICEVs, along with continued R&D support.

Brazil Commits to Quadrupling Sustainable Fuels by 2035

Brazil has announced the Belém 4× Pledge, a new commitment— joined by countries including India, Italy, and Japan — to quadruple global production and use of sustainable fuels by 2035. A recent report from the International Energy Agency (IEA) shows that such a scale-up is technically & economically feasible.

World Resources Institute (WRI) notes the need to balance decarbonization benefits with sustainably sourced feedstocks to avoid impacts on land use & food.

A new study concludes that Brazil's demand for ethanol and renewable natural gas (RNG) could more than double by 2040 to support decarbonization in transport, aviation, & shipping.

- Ethanol demand could more than double to 52.2 billion liters, driven by exports and growing use in sustainable aviation and marine fuels.
- Aviation & shipping could require ethanol amounting to 80% of road-transport use.
- Biomethane demand may climb to 120 million m^3/day, enough to displace up to 70% of diesel usage in heavy-duty transport.

Did you know ?

Pirelli's Cyber Tire Expands from Supercars to Smart Roads

Pirelli's Cyber Tire, first seen on high-end cars like McLarens and Paganis, is evolving into a broader mobility tool. The smart tire sends real-time data on pressure, temperature, and tire type—allowing automakers to fine-tune ABS and stability control for better braking, traction, and driver feel. Automakers from Europe to China, including Aston Martin, are now testing the system

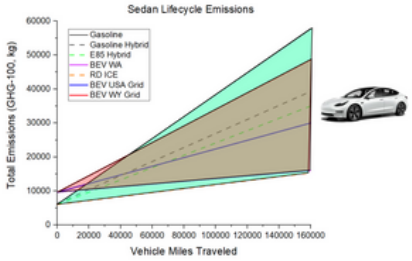
Beyond vehicles, Cyber Tires are being used in Italy's Apulia region to map road damage by combining tire-sensor data with camera inputs. This approach helps detect potholes, cracks, and surface hazards more accurately.

Italy's next step: feeding this data into a national smart-roads program to enable dynamic speed limits and real-time warnings for risks like aquaplaning.

Watch Webinar Online

Energy Realism vs. Decarbonization: Is it an either-or choice?

Engine Technology Forum hosted a webinar where we discussed the recent policy shift and its implications for fuels and technologies that power key sectors of the economy. There is a rich presentation by Dr. Graham Conway followed by a panel discussion. Watch the recorded webinar here.



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

UPCOMING EVENTS

Clean Fuels Conference, Jan 19 – 22, Orlando, USA
https://www.cleanfuelsconference.org/

SAE Government/Industry Meeting, Jan 20–22, Washington, DC, USA
https://www.sae.org/events/government-industry

SIAT — Symposium on International Automotive Technology, Jan 28–30, Pune, India
https://siat.araiindia.com/

9th Zero-Emission Heavy-Duty Powertrain China Summit, Jan 22–23, Shanghai, China
http://www.fiveoit.com/9zehdpsc2026/

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