



Vehicle Fuel Efficiency & GHG Emission Standards

MWAQC TAC

September 11, 2012



Timeline

- April 2007 Supreme Court Decision
- EPA must determine if GHGs cause or contribute to air pollution and endanger public health
- Dec 2009 Mandatory GHG Reporting Rule
- January 2010 EPA Endangerment Finding
- March 2010 Reconsideration of the Johnson Memo - Timeline for Regulation of GHGs under the CAA
- April 2010 EPA/NHTSA GHG Vehicle Emission Standards and Fuel Economy (CAFE) Standards for Cars through 2016
- Dec 2010 EPA/NHTSA GHG Vehicle Emission Standards and Fuel Economy (CAFE) Standards for Heavy Trucks through 2018
- Sept 2012 EPA/NHTSA GHG Vehicle Emission Standards and Fuel Economy (CAFE) Standards for Cars through 2025



Regulating Greenhouse Gas Emissions from Light Duty Vehicles

- Joint EPA/NHTSA Rulemaking
 - Greenhouse Gas Emission Standard
 - Fuel Efficiency Standards (CAFE) for 2017-2025
- Covers cars and light trucks.
- Average industry fleet-wide level of 163 grams/mile CO₂ in model year 2025, which is equivalent to 54.5 miles per gallon (mpg).



Fuel Economy Benefits

- Light-duty vehicles are currently responsible for nearly 60 percent of U.S. transportation-related petroleum use and GHG emissions
- Drivers will see net lifetime savings of \$3,400-\$5,000
- Lower fuel costs will pay for higher vehicle cost (~\$1500) in less than 3.5 years
- Over lifetime of vehicles sold between 2017-2025, action will save 4 billion barrels of oil and reduce GHGs by 2 billion metric tons



Issues Raised by Stakeholders

- Rule favors trucks
 - Cars 5%/year improvement
 - SUVs, light trucks 3.5%/year
- Rule removes fuel energy density advantage for diesel
 - formerly diesel vehicles got 10-15% “free” ride
- Impact on Highway Trust Fund
 - GAO analysis overstates impact
 - While there will be a loss, the fund as currently designed doesn't work well with our need to save energy



What it Doesn't Do

- Rule does not implement new Tier 3 standards for criteria pollutants
 - California LEV3 waiver approval pending
- Rule does not address new Heavy Duty Truck CAFE
 - action will be required before 2018



What's Our GHG Baseline?



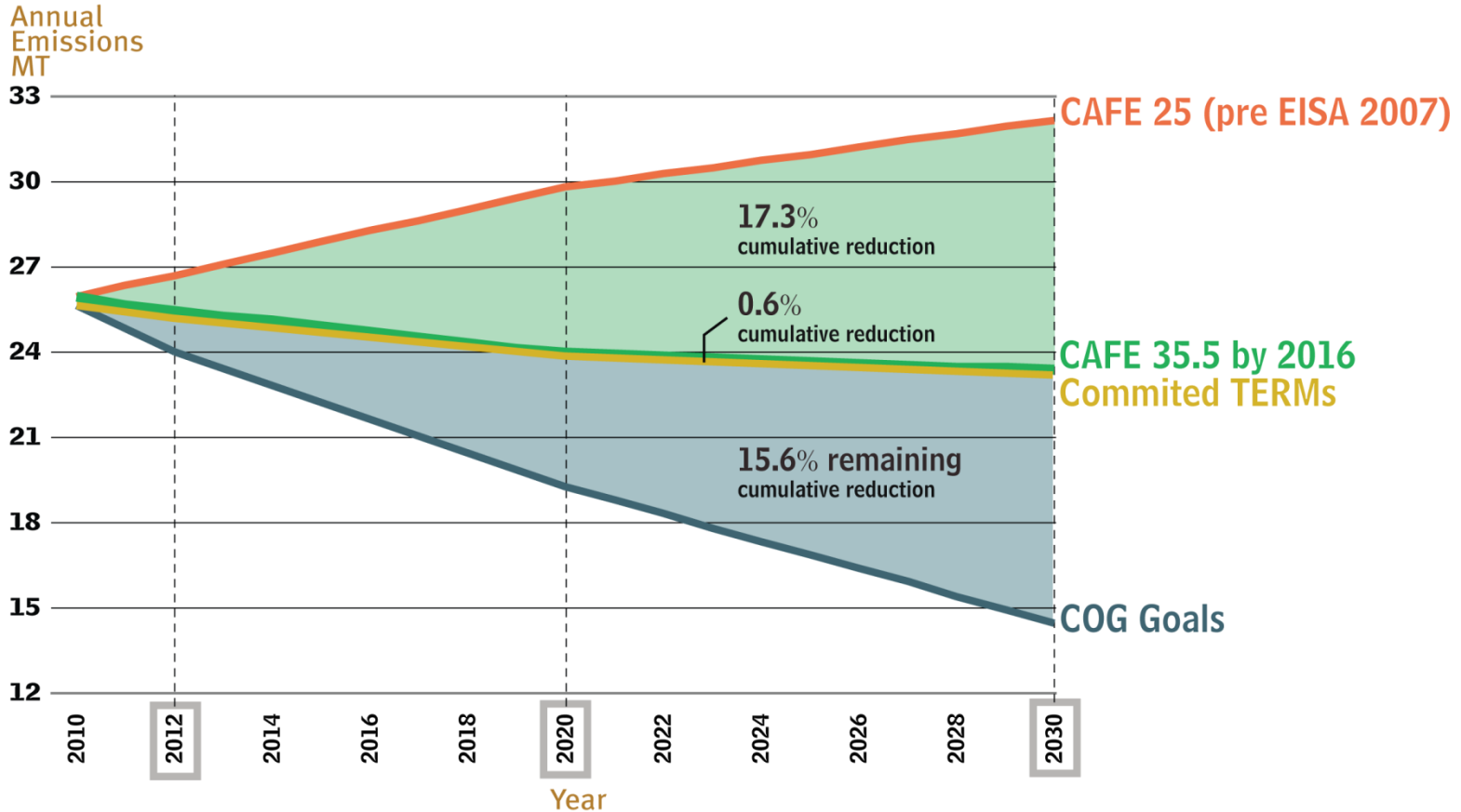
purpose

baseline

analysis

results

conclusions



Committed TERMS refers to the full TERM Tracking Sheet, including: Access and service improvements to transit, bike/ped projects, rideshare assistance programs, telecommute programs, traffic improvements, engine technology programs

Higher Federal Role



background

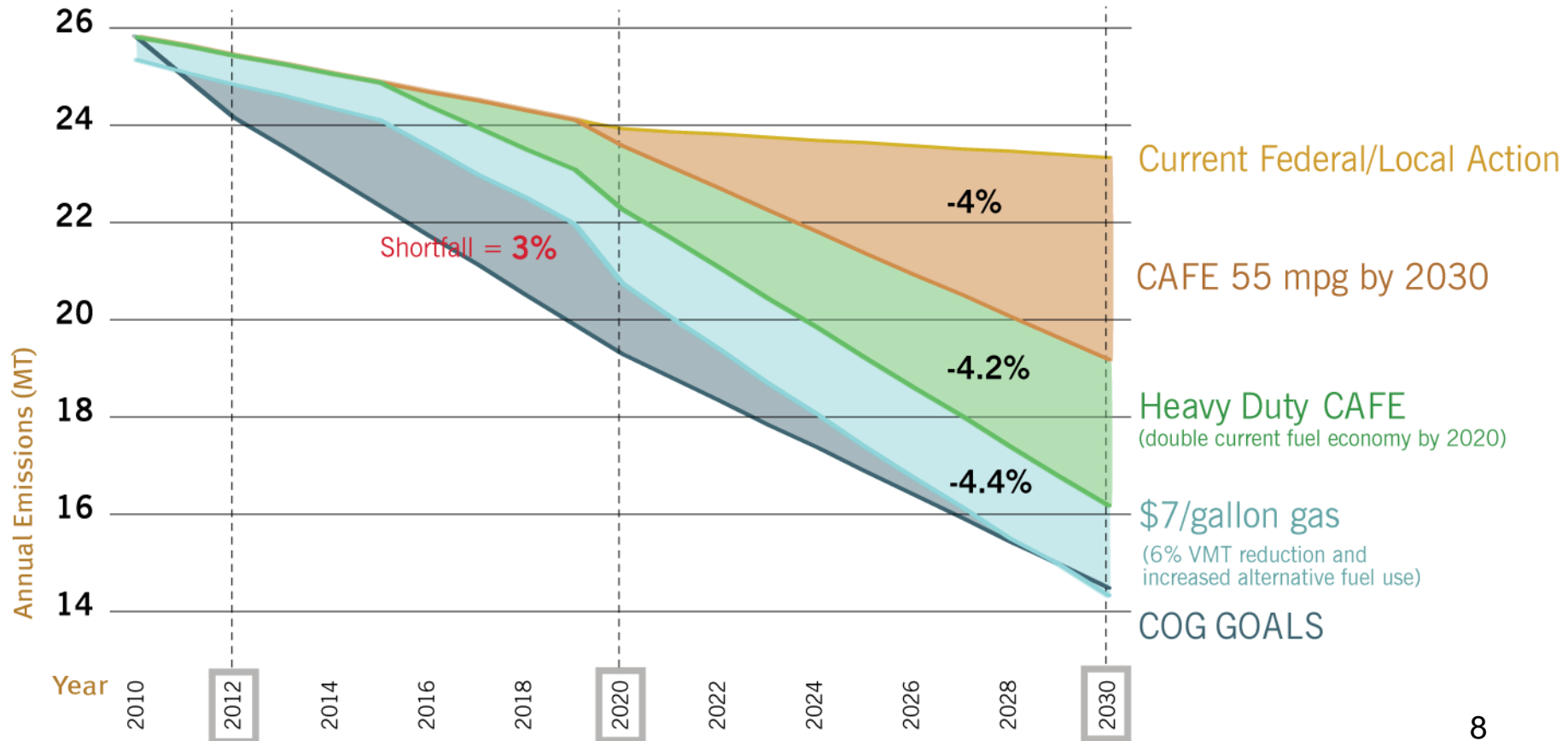
baseline

analysis

results

conclusions

Aggressive federal measures would *almost* get us there.



Summary

- CAFE generally supported by the automobile industry
- Important action to decrease U.S. dependence on imported oil
- Significant fuel cost savings for consumers
- Additional benefits can be achieved
 - tighter CAFE for heavy trucks
 - LEV III and Tier 3

