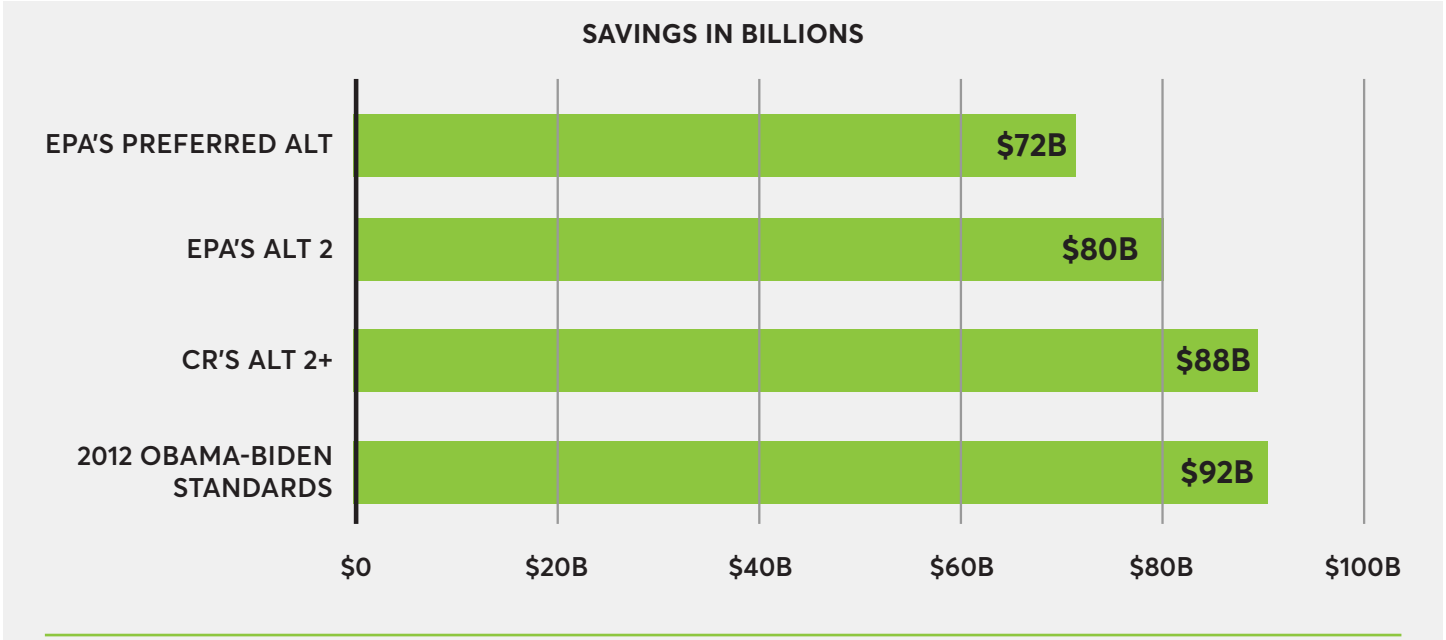
ROADMAP TO 2030

Alternative 2+ : Big Picture Consumer Benefits

On August 5, 2021, President Biden signed an executive order aimed at making half of all new cars sold in 2030 zero-emissions vehicles. On the same day, the Environmental Protection Agency (EPA) announced a **notice of proposed rulemaking** for greenhouse gas emissions from cars and light-duty trucks.

This fact sheet compares EPA's recent proposal to Consumer Reports' preferred alternative for greenhouse gas emissions standards, also referred to as "Alternative 2+" throughout. CR is urging EPA to put automakers back on track by implementing the **Obama-era standards set in 2012**, saving consumers billions of dollars over time.

CONSUMER BENEFITS



- Consumers would save on gas, maintenance and price costs over the lifetime of new cars purchased in the next five years
- **CR analysis found that Alternative 2 can save consumers up to $2100 for MY2026 vehicles purchased and an additional $300 per MY2026 vehicle for Alternative 2+**

EPA'S PREFERRED ALTERNATIVE
– Only recovers 75% of the lost benefits of the Obama-Biden standards
- Includes electric vehicle multipliers and increased off cycle credits of 5 g/mi

EPA'S ALTERNATIVE 2
- Returns to Obama-era level stringency in 2023 and continues on that trajectory through 2026
- Includes an increase in off cycle credits of 5 g/mi

CR'S ALTERNATIVE 2+
- Consumer Reports' recommended alternative
- Includes EPA's Alternative 2 and a 10 g/mi increase in stringency for 2026, or an additional ~1.5 mpg for model year vehicles 2026

Consumer Reports

EPA VEHICLE EMISSIONS STANDARDS PROPOSAL FACT SHEET

LOOPHOLES

What is a loophole and why should they be cut from EPA's proposal?

> Loopholes are complex credit schemes that are put in place to encourage automakers to deploy specific technologies that reduce emissions. Consumer Reports is calling on EPA to close automaker loopholes that appear to create emissions reductions on paper, but fail to deliver real-world benefits to consumers and the environment.

KEY LOOPHOLES FOUND THROUGHOUT EPA'S PROPOSAL

ELECTRIC VEHICLE MULTIPLIERS

EV multipliers allow electric vehicles to count as more than one vehicle for automakers' fleets. Since emissions are calculated based on the average of the entire fleet, counting an EV as more than one vehicle reduces the average emissions of an automaker's fleet for compliance purposes – well below the actual emissions from the fleet. EV multipliers also allow automakers to build more high emission vehicles than they otherwise could while still complying with the standard.

EVS IGNORE GRID EMISSIONS

The standard as proposed allows automakers to ignore any emissions from electricity production for electric vehicles. This means that real world emissions for an automaker's fleet that complies with the standard by building a lot of EVs are higher than the real world emissions from an automaker that complies with the standard by increasing the efficiency of their gasoline vehicles even though they are meeting the same standard on paper.

OFF-CYCLE CREDITS

Off-cycle credits are credits that automakers can obtain for technologies that allegedly reduce emissions from their vehicle but are not adequately captured by the laboratory tests used to calculate emissions. These include technologies like stop-start systems which shut off the engine when stopped at a red light, reflective coatings, and high efficiency lighting. However, the benefits claimed for these technologies often do not match real world performance, and there are not sufficient testing and data requirements to ensure that they do.

HYBRID PICKUP TRUCK CREDITS

These extra credits are given for building hybrid and electric full sized pickup trucks. The credits are in place to encourage automakers to deploy these technologies on their least efficient vehicles. The problem is, there are no requirements for automakers to use this technology to reduce emissions. For example, the Ford "power boost" hybrid increases fuel efficiency by only 2 mpg, but increases power by 100 HP. EPA should not be giving automakers extra credits for increasing the power of their already huge and powerful pickup trucks.

CR'S ALTERNATIVE 2+ A WIN-WIN FOR CONSUMERS AND THE ENVIRONMENT

Saves Consumers
$2,400
per vehicle

Puts the country on track to cut GHG emissions by
60% by 2030

KEY ASSUMPTIONS

- Overall savings are net present value in $2020 over the lifetime of model years '21-'26 vehicles
- Per vehicle savings are net present value in $2020 over the life of the vehicle
- Annual Energy Outlook 2021 energy prices are used
- Consumer savings include changes in purchase cost, fuel, and maintenance
- Discount rate 3%
- All cost savings relative to current standards