

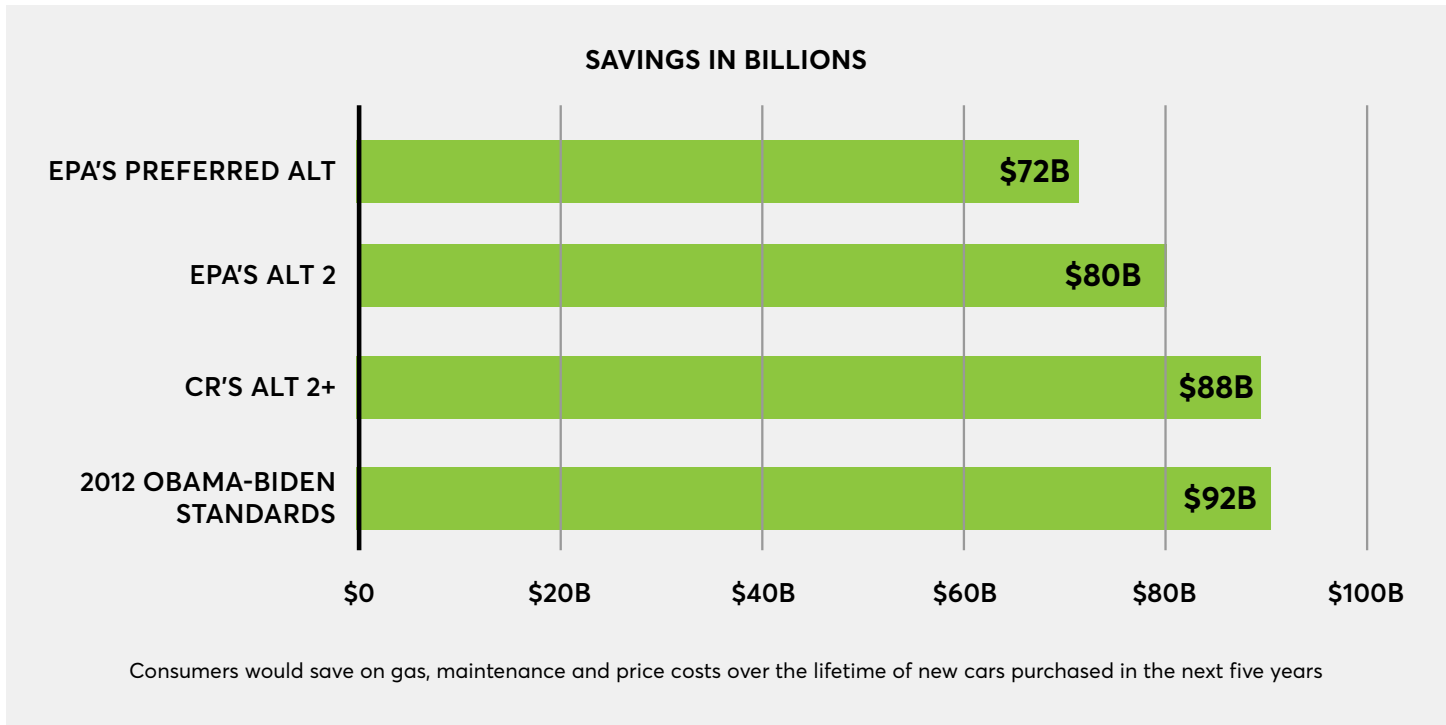
ROADMAP TO 2030

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' recommended alternative for greenhouse gas emissions standards, also referred to as "Alternative 2+" throughout. CR is urging EPA to put automakers back on track by restoring the benefits of the Obama-era standards, saving consumers billions of dollars over time.

CONSUMER BENEFITS



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**

LOOPHOLES

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

“Loopholes are complex credit schemes that appear to create emissions reductions on paper, but fail to deliver real-world benefits to consumers and the environment. Consumer Reports is calling on EPA to close all automaker loopholes.”

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.

OFF-CYCLE CREDITS

Automakers can obtain off-cycle credits for technologies that allegedly reduce emissions from their vehicle, but are not adequately captured by the laboratory tests used to calculate emissions. This includes technologies like stop-start systems, reflective coatings, and high efficiency lighting. However, the benefits claimed for these technologies do not always match real world performance, and there are not sufficient testing and data requirements to ensure they do.

EVS IGNORE GRID EMISSIONS

EPA's current proposal allows automakers to ignore any emissions from electricity production for EVs. Real world emissions for an automaker's fleet that complies with the standard by building several EVs are higher than the real world emissions from an automaker that complies with the standard by improving the efficiency of their gasoline vehicles, even though they are meeting the same standard on paper.

HYBRID PICKUP TRUCK CREDITS

These are given to automakers for building hybrid and electric full sized pickup trucks and are in place to encourage automakers to deploy these technologies on their least efficient vehicles. Unfortunately, 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 3 mpg, but increases power by 100 HP.

DESCRIPTIONS OF THE ALTERNATIVES

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

KEY ASSUMPTIONS

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