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Automakers comply quickly with EPA tailpipe rule

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Automakers on average have reduced the greenhouse gas footprint of their model year 2012 passenger vehicles even below the levels required by U.S. EPA's new tailpipe emissions rules, according to a new report released today by the agency.

The [report](#) found that in the first year of the Obama administration's new fuel economy standards, cars and light trucks averaged 286 grams of greenhouse gas emissions per mile -- nearly 10 grams less than called for in the EPA rule. All but one covered manufacturer ended the year with a balance of credits, and that one -- Jaguar Land Rover Automotive PLC -- plans to make up that deficit in model year 2013.

EPA Deputy Administrator Bob Perciasepe told reporters on a call this morning that the additional reductions were due to earlier-than-expected deployment of new technologies and a growing preference among consumers for fuel-efficient cars.

"We are very pleased to see that the automotive industry continues to innovate and is deploying new technologies that reduce emissions that we did not even consider when we developed the standards," he said. "Taken together, this means that the program is working."

The program allows for credit trading across years and between fleets of vehicles, and gives credit for efficiency improvements from air conditioning and for flexible fuel vehicles. Companies took advantage of all these features in 2012, but Perciasepe said that those flexibility measures add to, rather than detract from, the rule's environmental benefits.

"They're over-complying. We're getting more greenhouse gas reductions than we had anticipated," he said.

EPA's Office of Transportation and Air Quality Director Christopher Grundler said automakers ended up with more compliance credits than they needed for model year 2012 in part because

they reduced tailpipe emissions more sharply than expected. Only about half of the surplus was due to air conditioning improvements and a flex fuel vehicle incentive that is built into the law, he said.

Vehicle mileage improved 1.2 miles per gallon between 2011 and 2012 -- the second largest jump in fuel economy in the last 30 years. But efficiency must increase further if auto manufacturers are to achieve the 54 mpg mandated by 2025, Perciasepe said.

"You will not be able to comply with that unless every car becomes more efficient," he said.

But some climate activists said that EPA's rule created "loopholes" by allowing car companies to earn credit for actions not directly related to limiting tailpipe emissions.

Daniel Becker of the Safe Climate Campaign said in a statement that it was "bad news" that all but one of the major car manufacturers would have been in violation of the tailpipe emissions rule absent those flexibility mechanisms.

"The credits act like get-out-of-jail-free cards, letting automakers spew an extra 38 million metric tons of carbon dioxide," he said. "Without them, only Honda would have met the mileage standard for 2012."

The report comes as EPA continues to move new regulations to rein in greenhouse gas emissions from the power sector. Perciasepe has said that the agency is pursuing a "beyond the fence line" approach to its forthcoming rule for existing power plants. But the deputy administrator said today that power plants may not lend themselves as well to a credit-based averaging program as vehicles do.

Between 12 million and 13 million passenger vehicles are sold in the U.S. each year, he noted, making it necessary to regulate them across the fleet rather than individually.

"We're not constructing a new power plant fleet every year," he noted. "So the way that rule will be implemented and the flexibilities that the president has asked us to build into that rule will likely be different."

But he added that EPA would be looking at market-based approaches when crafting the utility rule, which is due to be released in early June.

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