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He also argues against any near-term rule with "Swiss cheese" exemptions, citing the need for the policy to hedge against the possibility that a future administration might try to scuttle longer-term standards extending well into the next decade.

From Climate Extra

Environmentalists Warn Against 'Credit Schemes' In Auto GHG Rules

July 16, 2021

Environmental groups are pressing for the Biden EPA's upcoming light-duty vehicle greenhouse gas plan to achieve "at least" the cumulative emissions reductions from Obama-era requirements, and that its benefits not be undermined by "complex credit schemes" that grant compliance for GHG cuts that might not materialize.

"The near-term standards through model year 2026 that will be proposed later this month must start no later than model year 2023 and achieve at least the cumulative emissions reductions expected from model years 2021 through 2025 under the Obama standards," 30 groups write in a July 15 letter to President Joe Biden.

The environmentalists are also pressing for the administration to immediately begin, and finalize by the end of 2022, a follow-up regulation to ensure all new vehicle sales have zero emissions by no later than 2035.

The letter comes as advocates are voicing fears that the near-term rules could fall "well short" of the GHG reductions from the Obama rules, according to remarks from Union of Concerned Scientists vehicle expert David Cooke to *Bloomberg*.

In an apparent reference to both the near- and longer-term vehicle rules, the groups' letter presses EPA to avoid "complex credit schemes that reward automakers for reductions on paper that aren't matched in real world performance."

It adds: "Such excessive technology credits and loopholes allow automakers to stall gasoline vehicle improvements and will fail to significantly boost the electric vehicle market beyond existing automaker plans."

Rule Stringency

Inside EPA's Climate Extra has reported that the near-term proposal is likely to claim emissions cuts exceeding those from national implementation of California's Trump-era agreement with five automakers -- but that they might not fully recapture the GHG reductions from scuttled Obama limits for MY21-25.

Assessing the rules' on-the-ground stringency can be done via multiple metrics, including the extent the average annual rate of auto GHG cuts exceeds current federal rules' nominal 1.5 percent rate and the California deal's 3.7 percent rate. Exceeding those top-line figures is likely, sources have said.

Even if the standards are strengthened at a faster pace than the Golden State's agreement, the extent that the Biden EPA's proposal would result in more or less cumulative GHG reductions from the sector depends both on top-line stringency and accounting for various credits likely in the re-strengthened federal rules.

The environmentalists' letter to Biden highlights what could be a robust debate after the proposal is released about what types of compliance flexibility mechanisms are legitimate components of the rules, compared to which credits could undercut the program's benefits.

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He also argues against any near-term rule with "Swiss cheese" exemptions, citing the need for the policy to hedge against the possibility that a future administration might try to scuttle longer-term standards extending well into the next decade.

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