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Biden targets 50 percent clean car sales by 2030

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By ALEX GUILLÉN
8/05/21

President Joe Biden signed an executive order on Thursday setting a target that half of all new vehicle sales by 2030 will be zero-emissions vehicles, primarily electric cars and trucks.

It’s the latest ambitious climate target from Biden, who has pledged to put the country on a path to reduce its greenhouse gas emissions by at least half the 2005 level by 2030. And it’s backed up by new proposed rules to strengthen upcoming federal tailpipe requirements through 2026, with even stricter regulations expected for the following years.

"They're a vision to the future that is now beginning to happen — a future of the automobile industry that is electric," Biden said of electric vehicles parked on the White House grounds during a speech on Thursday. "It's electric, and there's no turning back. The question is whether it will lead or fall behind in the race for the future."

Under Biden’s new target, car makers would need to show a 13-fold increase in the current market share of zero-emission vehicles by the end of the decade.

“This is a paradigm shift,” a senior administration official told reporters on Wednesday.

Biden signed the order setting the national 50 percent by 2030 goal at an event Thursday at the White House alongside representatives from the three major U.S. automakers — Ford, General

Motors and Stellantis, formerly Fiat Chrysler — and the United Auto Workers. In addition to fully electric vehicles, the target will also include plug-in hybrids, which have gasoline engines to backup their batteries, and hydrogen fuel-cell vehicles, which currently make up a tiny fraction of U.S. sales.

The target isn't binding on consumers or automakers, but sets expectations for action over the coming decade, said the official who conducted the press briefing.

"One of the things we've seen in jurisdictions around the country and around the world is the power of providing increasing amounts of market clarity in terms of where we are headed," the official said.

Automakers will announce their own additional goals on Thursday, according to the official, building off GM's pledge that all its vehicles will be electric by 2035 and similar targets from some other automakers.

The big three U.S. automakers and many foreign manufacturers appear to be unified behind Biden's strategy, even after many lobbied former President Donald Trump just four years ago to slash the Obama-era standards that they felt were too aggressive. The industry ultimately had to talk Trump back from completely gutting federal tailpipe standards and from starting a regulatory war with California that threatened to split the country into two separate auto markets.

In a statement, the three U.S. companies said the "dramatic shift" in the market would only be reached if the Biden administration enacted the "full suite of electrification policies committed to by the Administration in the Build Back Better Plan, including purchase incentives, a comprehensive charging network of sufficient density to support the millions of vehicles these targets represent, investments in R&D, and incentives to expand the electric vehicle manufacturing and supply chains in the United States."

Those incentives, particularly Biden's plan to pour $174 billion into speeding the adoption of electric vehicles, have hit some roadblocks. The bipartisan infrastructure plan that is moving through the Senate saw funding for a network of chargers across the country cut to $7.5 billion, while lawmakers have expressed some skepticism about pushing electric vehicles given the lack of a domestic supply chain that will force automakers to rely largely on imported materials from China.

But United Autoworkers President Ray Curry said in a statement the industry was at a critical time as countries compete to build the vehicles of the future.

"We are falling behind China and Europe as manufacturers pour billions into growing their markets and expanding their manufacturing. We need to make investments here in the United States," he said.

In addition to Biden's executive order, the Environmental Protection Agency on Thursday proposed a major 10 percent increase in the stringency of tailpipe carbon dioxide emissions for 2023 vehicles and 5 percent for the years after (Reg. 2060-AV13). That represents a much steeper glidepath than the Trump-era rule, which mandated only 1.5 percent annual improvements.

By 2026, the emissions standards would translate to a fleetwide rating of 52 miles per gallon for 2026 vehicles, according to EPA's analysis. The Trump rule would achieve a fleetwide rating of just 45 mpg by 2026, according to the agency's analysis.

While the rule will increase upfront costs for vehicles, EPA projects it would save consumers $900 over the vehicles' lifetimes, with the rule's net benefits ranging between $86 billion to $140 billion. It would also reduce carbon pollution by 2.2 billion tons through 2050, about one-third of the U.S. total greenhouse gas output in 2019; and reduce gasoline demand by 200 billion gallons.

And Biden is directing the agencies to start work on additional fuel economy and emissions rules for later this decade — both for light-duty cars and trucks and for medium- and heavy-duty vehicles like buses, delivery trucks, garbage haulers and 18-wheeler cargo carriers, which represent an outsize portion of carbon dioxide pollution. Those rules will be proposed at a later date.

Environmentalists welcomed Biden's new moves as a step in the right direction. But uncertainty about how aggressive the emissions and mileage regulations for the second half of the decade has many reserving judgment. And climate activists aren't doing any backflips over the voluntary agreement either.

"A voluntary agreement is completely unacceptable," said Katherine Garcia, acting director for the Sierra Club's Clean Transportation for All campaign. "Too much is at stake for a voluntary agreement to meet the moment and to deliver on EPA's mission."

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Environmentalists have instead pushed for a mandatory nationwide increase of electric vehicle sales to 60 percent of all sales by 2030, and for all passenger vehicle sales to be electric by 2035. Such rapid change is necessary because new vehicles can remain on the road for 15 years or more, they say, so meeting emissions goals of eliminating greenhouse gas emissions by 2050 requires earlier action.

That's a huge step up from the 2.75 percent market share held in June by fully electric vehicles, according to a report from the industry group Alliance for Automotive Innovation. All zero-emissions vehicles represented 3.8 percent of sales that month.

Environmentalists are already gearing up to scour the rule for compliance flexibilities — or, for critics, loopholes. That includes an extra credit feature put in place via a preceding Obama administration rule that was meant to boost electric vehicle sales; known as a multiplier, it provided automakers with extra compliance credits for selling electric vehicles. Environmentalists may also target so-called off-cycle credits that reward technologies such as solar reflective paint or "variable crankcase suction valve compressors" that can reduce emissions but don't show up in the regulatory test cycle.

In both cases, critics have argued that the flexibilities effectively shield automakers from having to make more stringent reductions in tailpipe emissions and undermine the program’s effects.

“Any sort of giveaways and flexibilities, off-cycle credits — all of those weaken the rule ... and [don’t] deliver the real-world benefits that we need,” said Garcia.

The administration official on Wednesday did not reveal any specifics about such compliance flexibilities, saying instead that “we look forward to the breadth of the stakeholders taking advantage of the public notice and comment process to help these rules be as strong as they can be.”

The administration must act quickly to finalize the proposal in time for manufacturers to apply it to model year 2023 vehicles.

Separately, EPA and NHTSA are working to restore California’s waiver giving it greater regulatory power over cars (Reg. EPA-HQ-OAR-2021-0257). That was stripped away by the Trump administration to stop the deep blue state, and the now 14 other states that follow its rules, from enforcing standards more stringent than the federal rules.

https://www.politico.com/news/2021/08/05/biden-clean-car-sales-2030-target-502548