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Biden sets 50pc electric vehicle goal: Update

President Joe Biden is pushing US automakers to boost sales of electric vehicles and plug-in hybrids, as he proposes new fuel-economy rules expected to avert 340,000 b/d of gasoline consumption by 2030.

By Chris Knight
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Biden today signed an executive order setting a voluntary goal for 50pc of cars and trucks sold in the US by 2030 to be electric, plug-in hybrids or fuel cell vehicles. Automakers Ford, GM and Stellantis in conjunction with the order set goals for 40-50pc of their US sales to be zero-emission vehicles by 2030.

"There is no turning back," Biden said of the auto sector's switch to electric vehicles.

The new, non-binding goal for zero-emission vehicles came as Biden's administration unveiled its proposal to abandon weaker fuel-economy and tailpipe CO₂ standards issued under former president Donald Trump. Biden's proposal would result in cars and trucks hitting a real-world average fuel-economy of 38.2 miles/USG by model year 2026, which is nearly 20pc more than Trump-era standards.

The newly proposed standards would take effect in model year 2023, when automakers would have to reduce the CO₂ emissions intensity of new cars and trucks by 9.8pc compared with the prior model year. Tailpipe emissions intensity would then have to drop by 4.7pc, 4.9pc and 5pc in model years 2024, 2025 and 2026.

White House officials earlier this year said they wanted to "catch up" to the ambitious fuel-economy goals former president Barack Obama set in 2012, after Trump slashed average efficiency gains to just 1.5pc/yr. Biden's administration expects its standards will now exceed the Obama-era goal by model year 2026.

US gasoline consumption will decline by 74,000 b/d below baseline levels by 2025 and by 340,000 b/d by 2030, equivalent to a 4.2pc drop in domestic gasoline consumption that year, the administration expects. US regulators estimate the proposal will deliver net societal benefits of \$4.2bn-\$7.3bn/yr, while lifetime fuel savings will outweigh the higher upfront costs of more efficient vehicles by \$900 by model year 2026.

But climate activists say the proposal is not sufficiently ambitious, and was watered down partly based on voluntary electrification pledges from the same auto companies that lobbied to scrap tough fuel-economy standards in 2017, just weeks after Obama left office.

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Biden's executive order is seeking to kick-start the process for regulators to start drafting the next round of tailpipe and fuel-economy standards for cars and trucks that would apply from model years 2027-2030. It would also order regulators to develop tougher fuel-economy standards for commercial vehicles, cargo vans, buses and heavy-duty tractor-trailers that would be finalized by no later than July 2024.

Biden's administration, in conjunction with the regulations, is seeking legislative support to fund electric vehicle charging stations and subsidies to cut their purchase price, through a \$1 trillion infrastructure bill and a \$3.5 trillion budget measure.

Ford, GM, Stellantis, BMW, Ford, Honda, Volkswagen and Volvo released statements today citing the need for consumer incentives and other planks of government support to achieve the goal of reaching up to 50pc of electric vehicle as a share of sales.

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