The Charlotte Observer

New emission rules for cars will start slow but grow rapidly, EPA administrator says

"In exchange for making EVs, the rule allows automakers to produce tens of millions of new gas-guzzlers with few or no carbon cuts. These cars, SUVs and pickups will dominate sales through much of this decade, guzzling and polluting into the middle of the century," Dan Becker, the director of the Center for Biological Diversity's Safe Climate Transport Campaign, said in a statement.

By Adam Wagner
March 22, 2024

Electric vehicle sales in North Carolina rose 51% and charging station installations grew by 31%. The EPA's new vehicle emissions rules are meant to let the infrastructure catch up. MCT A new emissions rule for cars, trucks and vans sold in the United States from 2027 to 2032 will phase reductions in more slowly to allow charging infrastructure and low-carbon emissions vehicles to keep pace with demand, EPA Administrator Michael Regan told The News & Observer on Thursday.

Regan spoke at the UNC Cleantech Summit on Thursday, a day after announcing the final rule for vehicle emissions of carbon dioxide, nitrogen oxides and particulate matter. The final rule has less stringent reductions for cars sold in 2027 through 2029, but typically requires slightly deeper cuts by 2033.

Regan said that by giving auto manufacturers and customers more time to move away from engines powered solely on gasoline, air pollution and greenhouse reductions in the 2030s could be deeper than anticipated.

Auto manufacturers will have to control emissions from gasoline-powered vehicles and sell higher numbers of hybrids and battery-powered electric vehicles in order to stay in line with the rule.

EPA staff project that the new rule will lower carbon dioxide emissions by about 7.2 billion metric tons, while also cutting thousands of tons of other air pollutants. In total, the EPA estimates, health benefits from lower pollution levels will total about $13 billion annually.

The EPA's new rule does not require automakers to build certain kinds of vehicles. Manufacturers could use any combination of electric vehicles, hybrids, plug-in hybrids or gasoline vehicles to meet the emissions requirements.

"The idea was to flood the system with as many clean vehicles as possible and not necessarily overly rely on one technology, i.e., overly rely on the penetration of battery electric vehicles," Regan said..

Still, the EPA projects that in order to meet the new targets, electric vehicles will need to make up 30% to 56% of passenger vehicle sales between 2030 and 2032 and 20% to 32% of medium-duty vehicles like large pickup trucks and work vans over the same period.

Meeting the new standards will require manufacturers to spend $1,200 more per vehicle to make light-duty vehicles and $1,400 more to manufacture medium-duty vehicles, according to EPA staff. A fact sheet the EPA prepared for the rule said those costs won't necessarily be passed along to consumers if state and federal incentives bring the costs of vehicles down.

Consumers will save about $6,000 over the lifetime of a vehicle manufactured in 2032 due to the new rule, the EPA said, with savings coming from fuel, maintenance and repairs. In total, EPA projections project savings of $46 billion in annual fuel costs and $16 billion in maintenance and repair costs.

Toyota, which is building a $13.9 billion battery plant in Liberty, outside of Greensboro, has been a proponent of backing away from electric vehicles in favor of plug-in hybrids that can lower emissions while also addressing drivers' concerns about range limits or finding a charging station.

"The EPA's regulatory mandate requires a precipitous shift from around 8% market share of battery electric vehicles today to more than half by 2032 — an aggressive, sixfold increase over just eight years," Edward Lewis, a Toyota spokesman, wrote in a statement.

Toyota will comply with the regulations, Lewis said, but he warned that questions around affordability, charging infrastructure and supply chains must be answered before manufacturers are able to meet the targets.

Regan said the pushback is unsurprising, but pointed to broad support among labor unions and praise from auto manufacturer trade groups.

“I have never met anyone in the regulated community that didn’t set lower expectations. Whether it’s gas, utility or transportation, that’s just the business we’re in,” Regan said.

In North Carolina, there were 7.97 million gas-powered vehicles registered in November 2023, according to N.C. Department of Transportation data. That dwarfed the 197,509 hybrids; 60,825 battery powered electric vehicles and 20,139 plug-in hybrids that were registered in the state that month.

“This is where the rubber meets the road on climate,” said Manish Bapna, the president and CEO of the Natural Resources Defense Council. “These commonsense standards will slash the source of a fifth of the nation’s carbon footprint. Over time, these rules will prevent more carbon pollution than the entire U.S. economy coughs up in a year. They’ll save drivers money at the pump and cut tailpipe pollution that endangers public health,”

Other environmental groups wanted to see the EPA’s final rule achieve deeper cuts, arguing that the agency responded to pressure from auto manufacturers to back off of its original proposal. During the comment period, the EPA also introduced three pathways that achieved deeper reductions in the 2020s, with one resulting in deeper cuts by 2033, too.

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Part of the reason for phasing implementation in more slowly, Regan said, is to allow the build-out of infrastructure like charging stations..

Federal efforts like the Bipartisan Infrastructure Law have provided North Carolina with $62.58 million to add chargers in key corridors, while the Inflation Reduction Act provides car buyers a tax credit for the purchase of electric vehicles or plug-in hybrids assembled in North America, as well as tax credits for chargers that are built in low-income or non-urban areas.

“When you match our regulation to the Inflation Reduction Act and you look at the opportunity to make the rule more durable and potentially more impactful, it just made more sense to give a little bit more lead time but not sacrifice anything on the back end,” Regan said.
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