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Technology is Advancing Ahead of Schedule to Meet Motor Vehicle Fuel Economy and Greenhouse Gas Reduction Requirements

July 19, 2016 (Boston) – The U.S. Environmental Protection (EPA), the National Highway Traffic Safety Administration (NHTSA), and the California Air Resources Board (CARB) have jointly released the draft Technical Assessment Report (TAR) of greenhouse gas (GHG) and fuel economy standards for model years 2022-2025 cars and light trucks. The draft TAR evaluates a broad range of technologies that could be used by automobile manufacturers to improve fuel efficiency and reduce GHG emissions over time.

Using the latest available data and information, the key purpose of the draft TAR is to inform the agencies' midterm evaluation of the GHG and fuel economy standards set in 2012 for model years 2022-2025 in determining whether they are likely to be achievable. The findings of the draft TAR conclude that the answer is "yes."

The draft TAR finds that:

- technology development is occurring at a faster pace than anticipated in 2012;
- manufacturers can meet the standards at a similar or lower cost than estimated;
- manufacturers that choose to do so could meet the national standards without significant reliance on electrification; and
- the rapid pace of technology advancement to date indicates the potential for significant further improvements.

The draft TAR represents an important milestone in our understanding of the state of automotive technology and the remaining potential for advanced gasoline engines to achieve still greater GHG reductions.

NESCAUM's Executive Director, Arthur Marin, stated "While this is good news, even highly efficient vehicles running on fossil fuels will be insufficient to meet our longer-term science-based climate goals. These findings point to the importance of state zero-emission vehicle requirements in ultimately moving the car and light truck market toward electric drive."

The transportation sector is the largest source of GHG emissions in the Northeast. Most of the NESCAUM states, along with California, Maryland and Oregon, have adopted requirements to accelerate commercialization of electric vehicles and are striving to have 3.3 million zero-emission vehicles on the road by 2025, consistent with a Memorandum of Understanding signed in 2013 by eight state governors. These states collectively represent 27 percent of the U.S. automobile market (*see* <http://www.nescaum.org/documents/zev-mou-8-governors-signed-20131024.pdf>).

The additional good news from the draft TAR is that it confirms the realistic potential for a rapidly expanding market for zero-emission vehicles. Specifically, the draft TAR finds that battery costs for electric vehicles in 2016 are already lower than what were originally projected for 2025.

Mr. Marin states that, “The findings of the draft TAR reinforce what we have seen over many decades with state and federal environmental policy: setting aggressive yet feasible pollution control requirements fosters technology innovation to the benefit of consumers, the economy, and the environment.”

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