

December 30, 2016

Gina McCarthy, Administrator  
U.S. Environmental Protection Agency  
EPA Docket Center  
Air and Radiation Docket  
Mail Code: 28221T  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460  
*Attention: Docket I.D. # EPA-HQ-OAR-2015-0827*

Re: *“Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation”*

Dear Administrator McCarthy:

The Northeast States for Coordinated Air Use Management (NESCAUM) offers the following comments on the “Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation” (Proposed Determination), issued by U.S. EPA on November 30, 2016. NESCAUM is the regional association of air pollution control agencies in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. These comments reflect the majority view of NESCAUM members. Individual member states may hold views different from the NESCAUM states’ majority consensus.

NESCAUM commends EPA and supports its appropriate and timely determination. Following a thorough and diligent analysis of a broad range of technologies that could be used by automobile manufacturers to improve fuel efficiency and reduce greenhouse gas (GHG) emissions over time, EPA rightly concluded that the standards currently in place for MY 2022-2025 are achievable and appropriate. This determination will help to ensure continued progress in reducing GHG emissions from the light-duty fleet, with commensurate fuel savings for consumers, and benefits to local economies across the country.

We note, however, that EPA’s own analysis showed the potential for even further reductions in emissions. Given the serious challenges our states face in meeting their medium-and long-term GHG reduction goals, and considering that technologies are available today to provide even greater improvements than called for in the regulation, we will continue to look for opportunities to encourage the deployment of ever more efficient vehicles.

### **Importance of the ZEV Program**

While the National Program is successfully driving down GHG emissions from the on-road fleet, opportunities exist to strengthen the rule to bring its outcomes more in line with the original

program goal of a new vehicle fleet-average fuel economy of 54.5 miles per gallon (mpg) by 2025. Because the rule will not necessarily require the development and deployment of advanced electric-drive vehicles such as plug-in hybrid, battery-electric, and fuel-cell electric vehicles, additional complementary policies are needed to ensure that these technologies continue to develop. These advanced vehicles will be needed in very high volumes for our states to meet their mid- and long-term GHG reduction goals.

The NESCAUM states recognize that by 2050, zero- or near-zero emission vehicles will need to comprise nearly 100 percent of new vehicle sales to meet GHG reduction goals.<sup>1</sup> While the National Program must continue to drive innovation and reduce emissions and fuel consumption in the near-term, there must also be continued progress in the development and deployment of the advanced electric-drive technologies that will be needed in the 2025 to 2050 timeframe. The goals of the ZEV Program are unique and complementary to those of the National Program. Moreover, they are achievable, and essential for our states to remain on track to meet their GHG reduction targets.

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 regulatory requirements to accelerate commercialization of electric vehicles and collectively are striving to ensure 3.3 million zero-emission vehicles are on the road by 2025, consistent with a Memorandum of Understanding (MOU)<sup>2</sup> signed in 2013 by eight state governors. These states represent 27 percent of the U.S. automobile market. While California has exclusive authority under the Clean Air Act (CAA) to set its own motor vehicle emission standards, CAA Section 177 provides other states with the right to adopt emission standards that are identical to California's in lieu of federal standards.<sup>3</sup> States in the Northeast have been using this authority for over two decades as part of a coordinated effort to reduce air pollution in the region. The ZEV Program has driven unprecedented investment and growth in zero-emission technologies over the past several years. Its implementation in northeast states is helping to lower ZEV costs through economies of scale, and expanding the range of product lines available to consumers.

The ZEV MOU was the start of an ongoing multi-state ZEV initiative to support the automakers in their efforts to promote and sell ZEVs into the markets in the Section 177 states, by helping to accelerate ZEV market growth in the near-term. The initiative is intended to complement a robust regulatory program in order to drive the market toward the transformation needed to help states reduce transportation-related air pollution and GHG emissions, enhance energy diversity, save consumers money, and promote economic growth. The partnerships formed and the ongoing work of this initiative remain critical to achieving the ZEV MOU goals.

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<sup>1</sup> See e.g. California Air Resources Board, "Draft Mobile Source Strategy Document", June 2016, and International ZEV Alliance, "COP21 Announcement", December 2015.

<sup>2</sup> State Zero-Emission Vehicle Programs Memorandum of Understanding (October 24, 2013). (<http://www.nescaum.org/documents/zev-mou-8-governors-signed-20131024.pdf>.)

<sup>3</sup> Section 177 of the Clean Air Act.

Transitioning the light-duty fleet to electric-drive will provide significant public-health benefits<sup>4</sup> while saving consumers money through reduced fuel use and overall operating costs. Opponents of the ZEV rule have argued that Northeast markets are unreceptive to ZEVs and cite low sales to date. However, ZEV sales requirements have not yet taken effect in states outside California,<sup>5</sup> and therefore most manufacturers have not attempted to market ZEVs in the Northeast.<sup>6,7</sup> Another recent study shows that there is much more that dealers can do to promote ZEVs.<sup>8</sup> Meanwhile, a recent survey<sup>9</sup> found very strong interest in electric vehicles among Northeast consumers as well as a high degree of compatibility with typical vehicle usage patterns.

## **Conclusion**

We commend EPA for its timely and well supported determination. We agree with the consensus finding that the 2022-2025 standards are feasible and appropriate. EPA considered a vast number of comments and conducted both its draft analysis and its updated analysis with thoroughness, professionalism, and a careful consideration of the many valid points raised by automakers. The Proposed Determination is an appropriate next step in the mid-term evaluation process, consistent with the requirements as set forth in the 2012 rulemaking, and with appropriate consideration of industry's need for long-term regulatory certainty. These standards are feasible, will reduce GHG emissions and cut oil use, and provide direct and tangible benefits to consumers. Meanwhile, the auto industry has just finished its most profitable year ever and has demonstrated clear capability of meeting or even exceeding these standards.

We thank EPA for noting the critical importance of continued GHG reductions that is consistent with well-established science, international agreements, and the protection of public health and welfare. We also agree with EPA in recognizing the specific need for a new set of light-duty vehicle emission standards for the post-2025 timeframe. The automakers are already capable of producing vehicles that are appealing to consumers while emitting far less GHG pollution than allowed under the 2022-2025 regulations. The industry continues to develop innovative vehicle technologies while driving costs down, and is doing so on a timeline well ahead of predictions, in large part because of the regulations currently in place. With the auto industry's successful track

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<sup>4</sup> American Lung Association in California, "Clean Air Future: Health and Climate Benefits of Zero Emission Vehicles," October 2016 (<http://www.lung.org/local-content/california/documents/2016zeroemissions.pdf>).

<sup>5</sup> ZEV sales requirements in other states are delayed until 2018 due to a clause in the rule known as the "travel provision."

<sup>6</sup> Union of Concerned Scientists, "Electrifying the Vehicle Market: Evaluating Automaker Leaders and Laggards in the United States," August 2016 (<http://www.ucsusa.org/sites/default/files/attach/2016/08/Electrifying-Vehicle-Market-full-report.pdf>).

<sup>7</sup> Sierra Club, "New Data Shows Auto Industry Failing to Advertise Electric Cars", December 2016. (<http://www.sierraclub.org/compass/2016/12/new-data-shows-auto-industry-failing-advertise-electric-cars>)

<sup>8</sup> Sierra Club, "Multi-State Study of the Electric Vehicle Shopping Experience," August 2016 ([http://sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/1371%20Rev%20Up%20EVs%20Report\\_09\\_web%20FINAL.pdf](http://sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/1371%20Rev%20Up%20EVs%20Report_09_web%20FINAL.pdf))

<sup>9</sup> Union of Concerned Scientists and Consumers Union, "Electric Vehicle Survey Methodology and Assumptions: Driving Habits, Vehicle Needs, and Attitudes toward Electric Vehicles in the Northeast and California," May 2016 (<http://www.ucsusa.org/sites/default/files/attach/2016/05/Electric-Vehicle-Survey-Methodology.pdf>).

record clearly laid out in EPA's Proposed Determination, we fully expect that this country's longstanding commitment towards achieving cleaner air can, and will, continue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur N. Marin".

Arthur N. Marin  
Executive Director

cc: NESCAUM Directors  
Chris Grundler – EPA OTAQ  
Mary Nichols, Richard Corey, Alberto Ayala – CARB