

Overlap and Duplication Potential of an LCFS

Three different federal policies— including increased Corporate Average Fuel Economy (CAFE) standards, the implementation of federal GHG tailpipe emission standards and the implementation of the renewable fuels requirements contained in the Energy Independence and Security Act of 2007 aim to reduce greenhouse gas (GHG) emissions from the transportation sector.

The Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) have finalized a national program that sets new standards for model year 2012 through 2016 light-duty vehicles that will reduce GHG emissions (tailpipe emissions standards set by EPA) and increase fuel economy (CAFE standards set by NHTSA). Together, the increased CAFE Standards and GHG Tailpipe Emissions Standards for vehicles sold between 2012 and 2016 will reduce GHG emissions from the U.S. light-duty fleet by approximately 21 percent by 2030.¹ Specifically, these two standards will reduce GHG emissions by 960 million metric tons and save 1.8 billion barrels of oil over the lifetime of these vehicles.² The EPA and the NHTSA estimate that the program will add approximately \$950 to the cost of a new vehicle, but consumers will save more than \$3,000 in fuel costs over the lifetime of the vehicle, mostly due to reduced fuel purchases.³

The EPA has also updated its requirements for renewable fuel use as mandated by the Energy Independence and Security Act of 2007. According to the EPA, these new renewable fuel standards will reduce GHG emissions by 138 million metric tons when the program is fully implemented in 2022. These GHG reductions are equal to taking 27 million vehicles off the road.⁴

Federal, state or regional low-carbon fuel standard (LCFS) programs will overlap and duplicate with these federal efforts and will add regulatory and compliance enforcement complexity with burdensome layers of regulations and additional oversight costs. Further, an LCFS would likely duplicate or conflict with other policies in consideration or in effect, including legislative efforts to put a price on carbon. These federal policies clearly and adequately address measures to decrease carbon emissions. An additional regulation at the state level may jeopardize the effectiveness of federal measures and add a set of confusing regulations.

¹ Environmental Protection Agency, <http://www.epa.gov/otaq/climate/regulations/420f10014.htm>.

² Ibid.

³ Ibid.

⁴ Environmental Protection Agency, <http://www.epa.gov/oms/renewablefuels/420f10007.htm#9>.