Statement of Power Companies Challenging SAFE Vehicles Rule Part Two

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Today, a coalition of major power companies and public utilities filed a lawsuit in the U.S. Court of Appeals for the District of Columbia Circuit challenging a rule issued by the Environmental Protection Agency (EPA) and the Department of Transportation's National Highway Traffic Safety Administration (NHTSA). The rule—known as the "The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks"—sets NHTSA's Corporate Average Fuel Economy (CAFE) standards and EPA's greenhouse gas (GHG) emission standards for model years (MYs) 2021-2026. The rule significantly weakens the standards set by the Obama administration in 2012.

The coalition includes Calpine Corporation, Consolidated Edison, Inc., Los Angeles Department of Water and Power, National Grid, New York Power Authority and Seattle City Light. The coalition's members are leaders in clean energy generation and support the electrification of the transportation sector as a critical strategy to reduce GHG emissions and combat climate change. EPA and NHTSA's GHG standards provide a critical regulatory incentive for the development and deployment of such vehicles and supporting infrastructure and the final rule's weakening of the standards undermines that incentive, adversely affecting the power companies' business interests.

The 2012 standards were established as a result of the Supreme Court's landmark 2006 decision in *Massachusetts v. EPA*, which required EPA to determine whether GHG emissions from cars and trucks endangered public health and welfare and, if so, to set standards to address that endangerment. While the 2012 standards would have required a 5 percent annual increase in the stringency of the standards, the challenged rule requires only a 1.5 percent increase above 2020 levels. The agencies' own analysis projects that greater annual increases in fuel economy would occur by 2030 as a result of market forces alone. Because the rule does not require the maximum feasible fuel economy as mandated by Congress and is insufficient to address the threat to the climate posed by tailpipe emissions, the power companies have sued to ensure that the standards require what the agencies' own modeling demonstrates is both achievable and cost effective.