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November 19, 2010

Administrator Lisa Jackson  
U.S. Environmental Protection Agency  
Ariel Rios Building  
1200 Pennsylvania Avenue, N.W.  
Mail Code: 1101A  
Washington, DC 20460

Subject: Comments on EPA's proposed changes to the motor vehicle fuel economy label rule Docket EPA-HQ-OAR-2009-0856

Dear Administrator Jackson:

NPRA, the National Petrochemical and Refiners Association, is pleased to provide comments on the Agency's proposed changes to the motor vehicle fuel economy label rule (75 FR 58078; 9/23/10). NPRA represents high-tech American manufacturers, fueling and building America's future. NPRA members produce virtually all the refined petroleum products and petrochemicals manufactured in the United States, serving the American people responsibly and effectively. These manufacturers provide jobs directly and indirectly for 2 million Americans, economic and national security, and thousands of vital products to families and businesses throughout the United States.

The greenhouse gas emissions values on the label should include the full lifecycle for electric vehicles and plug-in hybrid electric vehicles. The information for a flexible-fuel vehicle should be based on gasoline operation. NPRA does not support the proposed label 1 rating system that uses letter ratings. NPRA supports retaining the separate highway and city mpg designations. Lifecycle costs should be on a comparable basis.

Additional discussion of these issues is available in the attachment.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory M. Scott", written in a cursive style.

Gregory M. Scott

cc: Docket EPA-HQ-OAR-2009-0865

Attachment



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**COMMENTS OF**  
**THE NATIONAL PETROCHEMICAL**  
**& REFINERS ASSOCIATION**  
**ON EPA/NHTSA'S PROPOSED CHANGES TO THE**  
**MOTOR VEHICLE FUEL ECONOMY LABEL RULE**  
**(75 FR 58078; 9/23/10)**

**Docket ID No. EPA-HQ-OAR-2009-0865**  
**Docket ID No. NHTSA-2010-0087**

**A. THE GHG EMISSIONS ON THE LABEL SHOULD INCLUDE FULL LIFECYCLE FOR EVS AND PHEVS.**

EPA/NHTSA's proposal includes only tailpipe greenhouse gas (GHG) emissions and does not include any emissions upstream of the vehicle (75 FR 58091, 58105-58107). The agencies' proposed rationale is the difficulty for the label to meaningfully represent the range of emissions from power plants operated on different fuels and that this information could be found from other sources.

Customers may not seek information on powerplant GHG emissions from other sources. EPA's focus group considered ("are not opposed, and some may welcome") an eco-label. "Most focus group participants indicated that if such information was not on the label they were unlikely to seek it out elsewhere."<sup>1</sup> Therefore, it is appropriate that full disclosure of GHG emissions be on the label.

The agencies state that "given the increased awareness of consumers regarding climate change and air pollution, more comprehensive information on the emissions performance of vehicles, as required by EISA, could help consumers make more informed decisions on how a vehicle they buy may impact the environment." 75 FR 58082. Excluding upstream GHG emissions or simply stating "Tailpipe Only" could mislead customers. Some may readily conclude that upstream GHG emissions are zero or negligible. However, EPA knows that GHG emissions for electricity

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<sup>1</sup> U.S. EPA, "Environmental Protection Agency Fuel Economy Label," EPA-420-R-10-909, September 2010, page 21.



generation can be substantial, especially from fossil fuel-fired power plants. EPA should use an average value of U.S. grid electricity generation GHG emissions.

Consumers, especially those who make their vehicle choice as a result of “growing ... interest in both fuel economy and climate change,” should understand that battery-operated electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) can contribute to an increase in GHG emissions depending on the pathway for electricity generation. EV and PHEV technologies are handicapped as very low carbon options when they are dependent on fossil fuel-derived electricity.

Analytical complications are not an adequate excuse for misleading the public.

### **B. THE INFORMATION FOR A FFV SHOULD BE BASED ON GASOLINE OPERATION.**

EPA understands that E85 is not widely available.<sup>2</sup> Furthermore, the Agency concluded “that, on average, FFV owners were only tapping into about 0.2% of their vehicle’s E85/ethanol usage potential last year” (74 FR 25012). Therefore, FFVs are overwhelmingly refueled with gasoline.<sup>3</sup> The label can include information on E85, but it should also include information on gasoline so as not to mislead consumers.

### **C. NPRA DOES NOT SUPPORT THE EXAMPLE LABEL 1 RATING SYSTEM THAT USES LETTER RATINGS.**

The information on labels should be objective. The letter grading system (Label 1 in the proposed rule) is confusing and subjective. Consumers are familiar with MPG designations and the proposed letter rating featured prominently on the label takes away from important information.

Label 1 is misleading by not stating the vehicle driving range, which should be comparable to EVs and PHEVs.

The example letter GHG ratings do not include the range of values for electricity generation (75 FR 58092-58095). Therefore, EVs and PHEVs would be assigned an inappropriate letter rating if the electricity is generated with fossil fuels. Furthermore, this could create winners and losers who would be on either side of an arbitrary CO<sub>2</sub> g/mile or MPGe cutoff. A letter rating associated with a CO<sub>2</sub> g/mile or MPGe value is too subjective compared with the historical MPG determinations due to the arbitrary nature of these values.

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<sup>2</sup> Offered at only about 1% of U.S. retail stations nationwide (74 FR 25011).

<sup>3</sup> This is acknowledged in the proposal. “There is empirical evidence that approximately 99% of all FFV owners currently use gasoline rather than E85 fuel.” 75 FR 58112



**D. NPRA SUPPORTS RETAINING THE SEPARATE HIGHWAY AND CITY MPG DESIGNATIONS.**

Consumers are familiar with city and highway MPG designations as these provide the most clarity allowing differences between large and small vehicles to be clearly seen. The combined city/highway MPG metric should not be the most prominently featured number on the label.

For EVs and PHEVs, MPGe should be calculated using U.S. average electricity production.

**E. LIFECYCLE COSTS SHOULD BE ON A COMPARABLE BASIS.**

For EV/PHEV infrastructure, charging costs should be included - there is no reference to that in the current proposal.

The fuel cost estimates should be on a tax parity basis. Consider the example: an EV has 3 miles/kWh with an electricity cost of 12 c/kWh. If an equivalent vehicle had 25 mpg test cycle fuel economy, then the 50 cpg road tax would be equivalent to  $[50 \text{ cpg}/(25 \text{ mpg}) \times 3 \text{ miles/kwh}] = 6 \text{ c/kWh}$  (additional fees) - a 50% increase in EV/PHEV costs (still lower than gasoline, but higher than indicated in the proposal).