What the 2018 Elections Mean for Clean Transportation Policy

January 10, 2019
Thank You to our Sponsors

EarthX, Nissan North America, UPS

Cummins Westport, Volkswagen Group of America, Audi, Altec, United Soybean Board, Renewable Energy Group

National Biodiesel Board, NGVAmerica, Roush CleanTECH, Lightning Systems, Zero RPM, National Propane Gas Association, Ozinga Brothers, ICOM

East Bay Clean Cities, Greater New Haven Clean Cities, Virginia Clean Cities, South Shore Clean Cities, Columbia-Willamette Clean Cities, Utah Clean Cities, Navigant
Today’s Panelists

Allison Cunningham
NGVAmerica

Joshua Goldman
Union of Concerned Scientists

Ken Brown
Transportation Energy Partners

Paul Winters
National Biodiesel Board
Transportation Energy Partners

- Provides policy support to the nation’s Clean Cities Coalitions & our 15,000 stakeholders
- Keeps coalitions & stakeholders informed of key policies, programs, & funding opportunities
- Educates decision makers about the importance of advancing markets for clean vehicles and fuels
Energy Independence Summit
February 11-13 in Washington DC

Featuring:
- Administration and Congressional Leaders
- Presentations on VW Settlement Opportunities
- Industry Leaders – Cummins Westport, Nissan, UPS, National Propane Gas Association, Altec, National Biodiesel Board, NGVAmerica, Roush CleanTech and More
- Roundtables with DOE, EPA, DOT, and USDA
- Salute to Clean Cities 25th Anniversary Reception – Monday February 11
- Capitol Hill Day Meetings with Congress – Tuesday February 12
- UPS Capitol Hill Town House Reception – Tuesday February 12

Go to: www.transportationenergypartners.org
Federal Clean Transportation Policy
Future Remains Uncertain

- Democrats will lead House and chair committees.
- House to bring back Select Committee on Climate change.
- Bipartisan support in Congress remains strong.
- DC consumed and paralyzed by shutdown.
- Administration likely to continue to propose cuts to Clean Energy Programs.
- Budget negotiations will be tricky.
- Infrastructure legislation could move.
Extend Tax Incentives for Alternative Fuels, Vehicles and Infrastructure.

Preserve the Renewable Fuels Standard.

Increase Federal Funding for Key Alternative Fuels Programs.

Encourage FHWA to approve Buy America waivers for alternative fuel vehicle projects.

Include Alternative Fuels in Any New Infrastructure Initiatives.
Federal Tax Incentives Expired End of 2017

- Excise Credit for LNG, CNG, Propane
- Biodiesel Credit
- 2nd Generation Biofuel Credit
- Alternative Fuel Infrastructure Credit
- Hydrogen / Fuel Cell Credits
Tax Reform Legislation of 2018

- Final bill maintained EV credit.
- Did not include expired alternative fuel incentives.
New Congressional Leadership on Tax Policy in the 116th Congress

- Chuck Grassley (R-IA) new Chair of Senate Finance
- Ron Wyden (D-OR) remains Ranking Member
- Richard Neal (D-MA) assumes Chair of Ways & Means
- Kevin Brady (R-TX) now Ranking Member
Outlook for Tax Extenders

- Shutdown consuming Washington.
- Interest from Senate as well as House Dems in moving extenders.
- IRS filing deadlines drive the timeline.
- Hopeful to have extenders attached to a tax bill -- currently unsure what that may be.
Tax Extenders – Next Steps

- NGVA leads an Alt Fuels Tax Credit working group.
- Engaging in strategy discussions.
- Educating Congress on budget scoring issue for AFTC/AF Mixture credit.
- Contact Allison Cunningham with NGVAmerica to participate in AFTC efforts
  acunningham@ngvamerica.org
Current EV Tax Credit – 30(d)

- Up to $7,500 for a qualifying EV, until a manufacturer sells 200,000 EVs.
  - Then credit is halved for 2 quarters, halved again in the next 2 quarters, then eliminated.
- Tesla hit cap at end of Q2 2018, GM hit cap in Q4 2018, Nissan forecast to hit cap in 2020 (maybe sooner).
“Fairness” for Every Driver Act

- Terminates 30(d) (vehicle credit) and places user fee on EV drivers
- Introduced in October by Sen. Barrasso (R-WY)
- Two co-sponsors
  - Sen. Roberts (R-KS)
  - Sen. Enzi (R-WY)
- Not taken up by Senate Finance Committee
- House companion bill sponsored by Rep. Smith (R-MO-8)
**Electric CARS Act**

- Would extend 30(d) and 30(c) for 10 years, ending in 2028.
  - Unlimited credits for each manufacturer
- Introduced in September by Sens. Merkley (D-OR), Heinrich (D-NM), and Cortez Masto (D-NV)
- House bill -- Reps. Welch (D-VT) and Rosen (D-NV).
- No hearings held yet.
Why EVs Need Federal Support

- Save drivers money
  - $800 / year in fuel costs; thousands on scheduled maintenance
  - $870 / year for rural drivers.
- Reduce emissions
  - The average EV sold in the U.S. produces the emissions equivalent of a gas-powered vehicle that gets 80mpg
- Create domestic jobs
  - Tesla (CA), Nissan (NV), and GM (MI) all make EVs in the U.S.
Why EVs Need Federal Support

- The only opponent to extending the EV tax credit is the oil industry.
- Oil comprises 90% of transportation fuel in the U.S.
  - Fund bad science that skews data to reach misleading conclusions, then fund advocacy groups to push that analysis on the Hill.
  - Fund politicians, including Sen. Barrasso to introduce legislation that will do nothing other than keep the status quo.
Looking for Data Points on EVs?

- Emissions
- Public health impacts
- Fuel savings
- Rural driver savings
- Maintenance costs
- Battery price forecasts
- And more!

www.ucsusa.org/clean-vehicles
Josh Goldman, jgoldman@ucsusa.org
EPA 2019 rule provided statutorily required growth for advanced biofuels.

- Added 500 million gallons of overall advanced biofuel.
- Agency raised 2020 BBD volume by equivalent 330 million gallons.
- Welcome news after flat-lined volumes since 2016.

Unresolved issues.
- Small refinery exemptions (SRE).
- 500 million gallons from 2016.
- RIN market reform and E15.
- RIN/SRE transparency.

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<td>19.92</td>
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EPA has now triggered the reset provision for all RFS categories with remaining statutory volumes (cellulosic, advanced, and total).

EPA will need to reset each of those volumes through 2022 based on a “review of the implementation of the program” and an analysis of six statutory factors.

EPA began work on a proposed rule and meeting with stakeholder groups in summer.

The proposed reset rule could include the annual rule for 2020 and the BBD volumes for 2021.
- Will not change the BBD volume for 2020.

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<tr>
<td>Overall</td>
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RFS REFORM IN 115TH CONGRESS


- Discussion draft sponsored by Reps. John Shimkus (R-IL) and Bill Flores (R-TX).

- Proposal:
  - Sunset conventional biofuel (undefined) after 2022;
  - Set annual biomass-based diesel volumes (2023-2032) per prior year RIN volume;
  - Sunset RFS after 2032.

RFS OVERSIGHT IN 116TH CONGRESS?

- Senate Environment & Public Works Committee
  - Chairman: Sen. John Barrasso (R-WY)
    - Transportation Subc. Chair: Sen. Jim Inhofe (R-OK)
  - Allies: Sen. Joni Ernst (R-IA)
    Deb Fischer (R-NE)
    Jerry Moran, (R-KS)
    Mike Rounds (R-SD)
    Sheldon Whitehouse (D-RI)

- House Energy & Commerce
  - Chairman: Rep. Frank Pallone (D-NJ)
Continue Educating Administration & Congress: The RFS is Working

- **Energy Security**: Reducing oil dependence by meeting more than 10% of U.S. on-road transportation needs.
- **Economy**: RFS supports hundreds of thousands of jobs nationwide.
- **Environment**: Reducing carbon emissions and other pollution.
TEP Funding Priorities

- Maintain increased funding for Clean Cities program, including funding for competitive grants.
- Maintain increased funding for the EPA Clean Diesel grants.
Bipartisan interest in a comprehensive infrastructure package.

Trades working on alternative fuel proposals to share with Democrats.

Timing remains unclear. Likelihood of compromise remains unclear.

Paying for infrastructure remains a concern.
FY 2019 Appropriations

- DOE spending bill signed into law – includes $37.8 million for Clean Cities.

- EPA is shut down.
  - House bill includes $100 million for DERA.
  - Senate bill includes $50 million.
FY 2020 Appropriations

- President to propose budget in February.
- Appropriations subcommittees will consider legislation in April and May.
- House and Senate floor action in summer.
- Final legislation in fall.
Key Appropriations Leaders

- Senate Energy & Water Appropriations Subcommittee
  - Lamar Alexander (R-TN), Chair
  - Dianne Feinstein (D-CA), Ranking Member
- House Energy & Water Appropriations Subcommittee
  - Marcy Kaptur (D-OH), Chair
  - Mike Simpson (R-ID), Ranking Member
- Senate Interior Appropriations Subcommittee
  - Lisa Murkowski (R-AK), Chair
  - Tom Udall (D-NM), Ranking Member
- House Interior Appropriations Subcommittee
  - Betty McCollum (D-MN), Chair
  - Ken Calvert (R-CA), Ranking Member
TEP FY 2020 Appropriations Strategy

- Find out your Members’ appropriations request process and deadline (usually late February/early March).
- Follow up with member request form or letter.
- Show coalition stakeholder support.
- Follow up with Congressional offices after you submit request.
FHWA Buy America Obstacles

- FHWA holding up funding for hundreds of clean vehicle projects while it considers new Buy America policies.
- Working with DOT to solve problem.
- Will likely need to get Congress involved.
Strategies for Continuing Progress

- Educate Administration.
- Work with your Members of Congress.
- Rally your stakeholders and make your voices heard.
- Attend the Energy Independence Summit.
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