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HEADLINE: Study puts big price on small environmental gains for California alternative-fuel vehicles; Charles River Associates Inc., DRI/McGraw-Hill

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BODY:

WASHINGTON -- California's alternative fuel and electric vehicle mandate may cost up to 10 times as much as less-ambitious plans while achieving only slight additional reductions in pollution, according to a recent study.

The plan may even increase pollution in the short run, said David Montgomery, vice president of consulting company Charles River Associates Inc.

The findings could also apply to states from Virginia to Maine, because governors in the Northeast have asked the Environmental Protection Agency to impose the same emission standards for vehicles in their region.

California will introduce its own gasoline reformulation in 1996 and will require the phasing in of progressively stricter emission standards for vehicles. The state will also require that zero- emission vehicles account for at least 2% of new-car sales by 1998.

Still unknown is whether anyone will buy electric vehicles -- the only "zero-emission" vehicles anticipated for 1998.

The study was conducted jointly by Charles River Associates and DRI/McGraw-Hill for the Western States Petroleum Association. These are its primary points:

* By the year 2010, the cost of reducing emissions of hydrocarbons and nitrogen oxides with electric vehicles and other alternative- fuel vehicles will range from \$ 48,000 to \$ 292,000 per metric ton -- three to 10 times the cost of improvements through the use of California's vehicle standards with the state's gasoline reformulation.

The cost comes not only from mandates but also from subsidies to promote development of the new vehicles.

* The introduction of alternative-fuel vehicles will leave emissions nearly unchanged in 1998, cutting just 200 metric tons of emissions in addition to the 70,000 metric tons of reductions expected to come as a result of reformulated gasoline and cleaner cars.

Emissions may even go up because the high cost of new vehicles will slow sales, prolonging the lifetimes of older, higher-pollution cars.

* The price of every new conventional vehicle sold in the state by 2010 could increase by \$ 400 to \$ 4,400 as manufacturers spread the cost of electric vehicles to other sales.

Without spreading the costs, electric vehicles might not be marketable.

* Taxpayers and utility customers will pay for \$ 2.2 billion in subsidies for alternative-fuel vehicles by 1998. The state has 55 programs to provide incentives and direct funding for alternative- fuel vehicles.

* California will lose jobs and tax revenues. A family of four would pay \$ 130 to \$ 240 for the emission program in 2010 without the alternative-fuel mandate, and an additional \$ 160 to \$ 1,030 with the mandate.

Because automakers are likely to locate plants outside California, the state would not retain the money and jobs by shifting from one part of the state's economy to another, the study adds.