

Energy Conservation, Not Energy Substitution: EMA Testifies on CAFE Standards

On January 7, the National Highway Traffic Safety Administration (NHTSA) held a virtual public hearing on its proposed Corporate Average Fuel Economy (CAFE) standards for Model Years 2022–2031 passenger cars and light trucks. Of particular importance to motor fuel marketers, the proposal would exclude electric vehicles (EVs) and electric-only performance from the CAFE standard-setting process.

Representing the interests of motor fuel distributors and retailers nationwide, the Energy Marketers of America (EMA) voiced support for the proposal, emphasizing that the CAFE program must be implemented as a technically feasible energy conservation regime, not an energy substitution scheme fostering EV penetration.

“Allowing CAFE standards to serve as a backdoor mechanism for regulating GHG emissions and forcing fleetwide electrification is contrary to both the plain language of the statute and its legislative intent,” said EMA President Rob Underwood.

Below is EMA’s testimony, delivered by Regulatory Counsel Jorge Roman.

EMA Testimony Before NHTSA on Fuel Economy Standards

January 7, 2026

Thank you for the opportunity to provide comments on behalf of the Energy Marketers of America, or EMA. My name is Jorge Roman, and I serve as Regulatory Counsel for the Association. EMA is a federation of 48 state and regional trade associations representing small fuel distributors and retailers across the United States.

We support NHTSA’s efforts in this proposal to realign the CAFE program with its statutory framework. In particular, EMA supports the agency’s decision not to attribute fuel-economy performance from electric vehicles or the electric operation of plug-in hybrid vehicles when setting fuel economy standards. From both a policy and legal perspective, this approach is appropriate and long overdue.

As a matter of law, the Energy Policy and Conservation Act expressly prohibits the agency from considering electric vehicle fuel economy when establishing CAFE standards. Additionally, for dual-fueled vehicles, including plug-in hybrids, the statute limits consideration to factors related to energy consumption attributable to gasoline or diesel combustion. Thus, EMA supports NHTSA’s proposal to recalibrate the program and exclude electricity from the standard setting process, consistent with the statute’s plain language.

The statute also defines fuel economy averaging in terms of miles traveled per gallon of liquid or gaseous fuel. This clearly shows that the law intends to limit the required fuel economy analysis to Internal Combustion Engine performance, accounting for technology related to engines, transmissions, tire rolling resistance, and so on. Forcing averaging well-beyond statutory limits to promote fleet electrification is not permitted.

Finally, EPCA requires NHTSA to set standards at the “maximum feasible level.” Such a legal threshold demands realism—not a policy preference towards electrification due to other environmental concerns that the statute was not enacted to address.

It has been clearly evident that the CAFE program has lost its policy focus to become a backdoor for environmental regulation. While EMA recognizes that environmental considerations may be taken into account in the standard-setting process, they cannot be the policy drivers of the program. To draw a finer point, the CAFE program must be implemented as an energy conservation regime, not an energy substitution scheme. Therefore, EMA supports the NHTSA recalibrating its policy posture to focus on the objectives that animated the program in the first place.

We appreciate NHTSA’s willingness to course-correct and encourage the agency to finalize standards grounded firmly in statutory limits, market realities, and consumer choice.

Thank you for the opportunity to testify.