



Amy Harder updated May 18, 2018

Utilities, Tesla sue Trump over fuel standards rollback



President Donald Trump. Photo: Nicholas Kamm/AFP/Getty Images. Tesla car charger. Photo: Chesnot/Getty Images

Companies looking to profit off electric cars are suing President Trump for proposing to roll back fuel-efficiency regulations.

Driving the news: A strange bedfellows group formed last year by utilities and Tesla filed suit in the D.C. Circuit earlier this month against the Environmental Protection Agency's move to roll back fuel-efficiency standards. The lawsuit adds to a separate suit filed by California with more than a dozen other states and another filed by several environmental groups.

The bottom line: Rising fuel-efficiency standards would increase demand for electric cars, which would spur electricity demand, a top priority for utilities that are facing largely stagnant electricity demand from buildings. Critics call this rent-seeking. Industry calls it smart business in Washington.

Gritty details: The coalition, called the National Coalition for Advanced Transportation, is made up of 16 entities, mostly utilities (seven of them either Exelon or Exelon subsidiaries) and other companies with a financial stake in growing demand for electric cars, including Tesla.

- A spokesman for the group says they have reached out to more than two dozen other companies, including American Electric Power, Southern Company and Duke Energy, about joining.

What they're saying: Bob Wyman, a lawyer at Latham & Watkins in Los Angeles who speaks on behalf of the group, said the companies support more flexible standards in response to automaker concerns.