



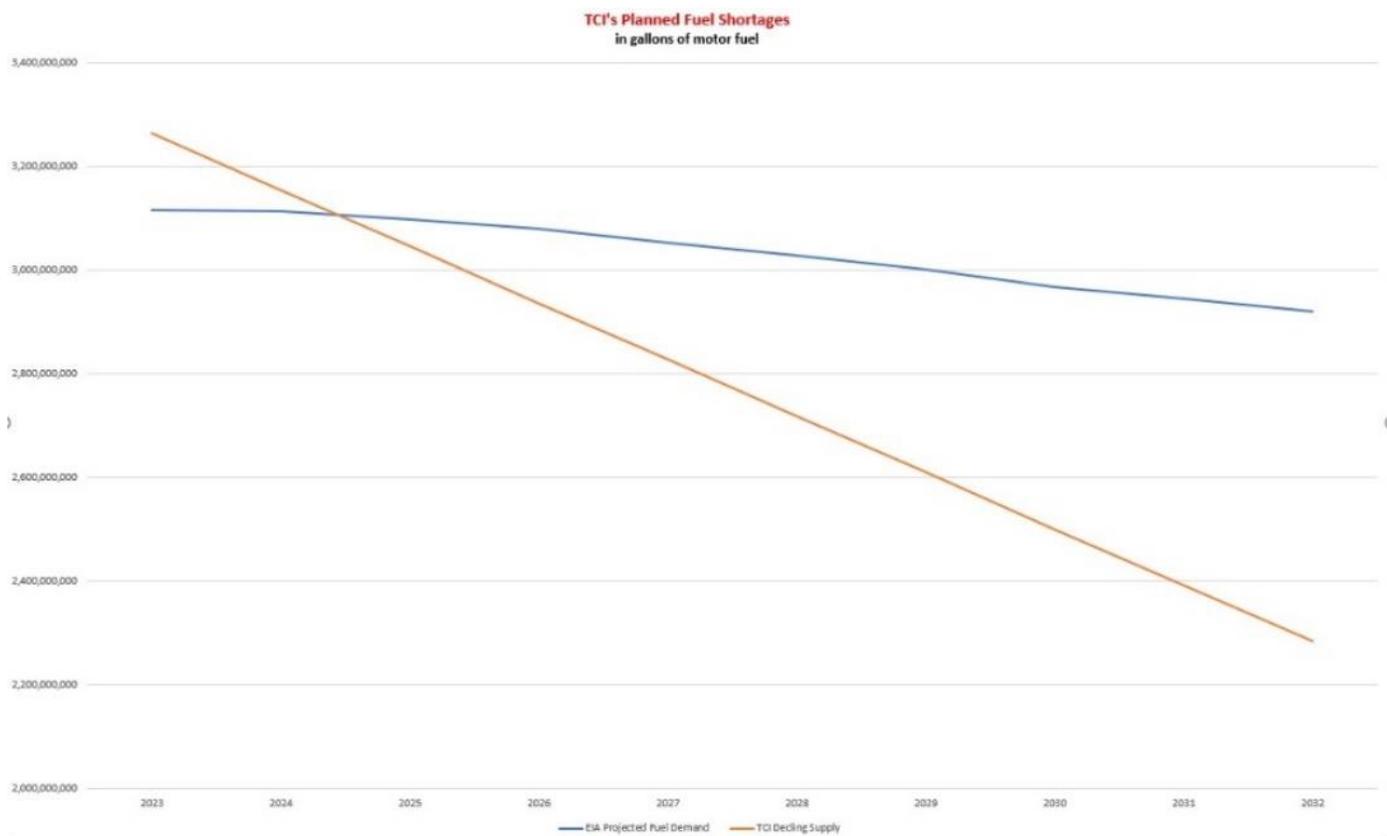
Fiscal Alliance Foundation

**Analysis of Artificial Fuel Shortages Caused by Potential Participation in
the Transportation and Climate Initiative
July 29, 2021**

TCI to Create Artificial Fuel Shortages in Massachusetts

Recent analysis of the Transportation and Climate Initiative (TCI) conducted by the Fiscal Alliance Foundation lifts back the veil obscuring how this climate scheme intends to force Commonwealth drivers to drive 30% less by reducing fuel supplies by 30% which will lead to much higher gas and diesel prices and shortages.

This is accomplished by applying the tried-and-true mechanics of supply and demand. Reduce the supply of a product sufficiently, and you either get price hikes, shortages, or both. The graph below illustrates how fuel shortages will result. The blue line shows the demand for motor fuel in Massachusetts from 2023 through 2032, the initial phase of the TCI program, as projected by the federal Energy Information Administration (EIA). Demand starts at 3.12 billion gallons of gasoline and diesel, and decreases to 2.92 billion gallons, mostly due to better fuel standards and some electric vehicle (EV) adoption. The orange line shows the ever-decreasing supply of fuel that would be mandated by TCI – a 30% decline in fuel supply from 2023 to 2032, decreasing to just 2.28 billion gallons in the tenth year of the program. The shortfall of 636 million gallons in 2032 is equivalent to leaving 969,000 vehicles stranded without any fuel at all.



Viewed another way, this artificial fuel shortage is the equivalent of taking 969,000 vehicles off the road. But replaced with what? Electric vehicles of course. The state's planners realize that they can never achieve their EV targets without massive government intervention in the lives of people. Here's what they said in the 2050 MA 2050 Decarbonization Roadmap (p. 37):

“However, the current pace of EV adoption in the Commonwealth lags the pace necessary to achieve interim decarbonization targets compliant with the GWSA. Without market intervention, fewer than 500,000 vehicles on the road are projected to be electrified by 2030. In contrast, reducing emissions 45%

below 1990 levels by 2030 would require that about 1 million of the 5.5 million LDVs projected to be registered in the Commonwealth in 2030 be ZEVs.”

And our analysis shows that TCI is precisely the mechanism that they plan to use to accomplish this. But it can only be achieved through “shared sacrifice” by consumers. Either they have to buy an EV with limited range and limited charging facilities, or they have to curtail their own driving habits. Instead of driving to work five days a week, they’ll have to take the bus on one or two of those days. No pain, no gain is the hidden agenda of TCI.

Backup of Fiscal Alliance Foundation Analysis of TCI - Methodology

First, we calculate the initial consumption in Massachusetts of gasoline and diesel. This is reported by the Energy Information Administration (EIA) here <https://www.eia.gov/state/seds/seds-data-fuel.php?sid=CT#Petroleum>. After converting the EIA data from barrels to gallons, the figures for 2019, the latest available, are 2,648,772,000 gallons of gasoline and 467,670,000 gallons of diesel, or 3,116,442,000 total gallons. As these fuels in aggregate generated 56.68 billion pounds of CO2, gasoline and diesel in MA produce 18.19 pounds of CO2 on a weighted average basis. Gallons dropped significantly in 2020 due to COVID, but have since rebounded. For the purpose of our analysis, we will assume that gallons in 2023 will equal that of 2019.

Next, we look at EIA’s projection of fuel consumption in New England. We use this website <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=2-AEO2021®ion=1-1&cases=ref2021&start=2019&end=2050&f=A&linechart=&map=ref2021-d113020a.4-2-AEO2021.1-1&ctype=linechart&sourcekey=0> where we can find projected consumption in “quads” or quadrillion BTUs in the Transportation category for gasoline and fuel oil (diesel). What interests us is not the units, but the rate of change. Therefore, applying the rates of change below derived from the EIA projections to the starting gallons of 3.116 billion in 2023, we obtain the following schedule of fuel demand for Massachusetts in the time period under consideration.

Year	% Consumption from Prior Year	Calculated Fuel Demand (Billions of gallons)
2023		3.116
2024	99.88%	3.112
2025	99.52%	3.097
2026	99.40%	3.079
2027	99.16%	3.053
2028	99.15%	3.027
2029	99.14%	3.001
2030	99.89%	2.968
2031	99.25%	2.945
2032	99.12%	2.919

Change from 2023-2032 6.3% decrease

Finally, we look at supply constraints imposed by TCI. According to the “Transportation Climate Initiative Program - Elements of Program Design,” page 2, Massachusetts is allocated 24,467,216 metric tons of CO2e in its first year. Then this document goes on to say: “Beginning with the initial base annual CO2 emission budgets for 2023, the base **annual CO2 emission budgets will decline by 30 percent by 2032**, by equal amounts each year.” TCI also allows for a reserve of up to 10% of additional allowances to be made available to curb price spikes. We assume this full reserve is released. We convert these allowances of metric tons of CO2 into gallons of fuel where 1 metric ton CO2 = 121.22 gallons of aggregate gasoline/diesel. We show these amounts in the first column below, then subtract projected

demand from above to get the shortfall between supply and demand in the next column. Finally we show the number of cars without fuel where each car uses 656 gall./year.

Year	TCI Regulated Supply (Billions of gallons)	Supply less Demand (Millions of gallons)	Vehicle Shortfall
2023	3.263	146	
2024	3.153	41	
2025	3.045	(52)	79,991
2026	3.936	(143)	217,513
2027	2.828	(225)	345,724
2028	2.719	(308)	469,936
2029	2.610	(391)	596,147
2030	2.501	(466)	711,047
2031	2.393	(553)	842,914
2032	2.284	(636)	969,125