

State of California
AIR RESOURCES BOARD

Notice of Public Availability of Modified Text and Additional Information

**PROPOSED GUIDELINES FOR THE CLEAN CARS 4 ALL AND ENHANCED FLEET
MODERNIZATION PROGRAMS**

Public Hearing Date: July 26, 2018
Public Availability Date: January 31, 2019
Deadline for Public Comment: February 15, 2019

At its July 26, 2018, public hearing, the California Air Resources Board (CARB or Board) approved for adoption the proposed sections 2630 through 2639, Title 13 California Code of Regulations, which established regulatory guidelines for the Clean Cars 4 All Program. At this hearing the Board also approved for adoption the proposed amendments to sections 2620 through 2629.5, Title 13 California Code of Regulations, which updated the regulatory guidelines for the Enhanced Fleet Modernization Program (EFMP).

The Board directed the Executive Officer to determine if additional conforming modifications to the regulation were appropriate and to make any proposed modified regulatory language available for public comment, with any additional supporting documents and information, for a period of at least 15 days as required by Government Code section 11346.8. The Board further directed the Executive Officer to consider written comments submitted during the public review period and make any further modifications that are appropriate available for public comment for at least 15 days, and present the regulation to the Board for further consideration if warranted, or take final action to adopt the regulation after addressing all appropriate modifications.

The resolution and all other regulatory documents for this rulemaking are available online at the following CARB website:

<https://www.arb.ca.gov/regact/2018/cc4a18/cc4a18.htm>

The text of the modified regulatory language is shown in Attachment A. The originally proposed regulatory language is shown in ~~strike through~~ to indicate deletions and underline to indicate additions. New deletions and additions to the proposed language that are made public with this notice are shown in ~~double-strike through~~ and double underline format, respectively.

In the Final Statement of Reasons, staff will respond to all comments received on the record during the comment periods. The Administrative Procedure Act requires that staff respond to comments received regarding all noticed changes. Therefore, staff will

only address comments received during this 15-day comment period that are responsive to this notice, documents added to the record, or the changes detailed in Attachment A.

Summary of Proposed Modifications

The following summary does not include all modifications to correct typographical or grammatical errors, changes in numbering or formatting, nor does it include all of the non-substantive revisions made to improve clarity.

Expanded Definition of Dismantle

Section 2621: Staff added the term “scrap” to the definition of Dismantle to incorporate the new terminology into the regulatory definition in order to provide clarity and ensure that terminology is consistent throughout the regulation.

Mobility Option Incentive Amount

Sections in 2627(l): In the Initial Statement of Reasons (ISOR) staff proposed to increase the amount of the Mobility Option incentive from \$4500 to \$7000 to encourage more participants to choose this replacement option. The increased amount was set to equal what a participant would receive for the most popular type of replacement vehicle purchased through the program at the time, which was a conventional hybrid. Data presented in the ISOR Appendix G, Table G-1 shows the total number of vehicle incentives from all participating districts. From July 1, 2015 through December 31, 2017, the most popular vehicle option was a conventional hybrid at 1,151, followed by plug-in hybrids at 950. Data from quarterly reports submitted to CARB after the ISOR was made publically available on June 5, 2018, included here as Attachment B, reveal that plug-in hybrid electric vehicles are increasing in popularity at a much faster rate than that of conventional hybrid electric vehicles. Incentive totals through June 30, 2018 show conventional hybrids at 1,394, whereas incentives for plug-in hybrids reached 1,384, closing the gap of 201 conventional vehicles to 10 in just six months. Staff expect plug-in hybrid incentive totals to surpass conventional hybrids once the next reporting cycle totals are tabulated. This trend means the average vehicle incentive amount is also increasing and is now just over \$7500. In light of the newly submitted data, staff is proposing to further increase the incentive amount for the Mobility Option by \$500 to \$7500. This increased incentive amount will make the Mobility Option more competitive and attractive to participants compared to the most popular vehicle option.

Vehicles Ineligible for Incentives

Section 2625(d) and Section 2636(d): Staff added language to clarify that ineligible vehicles include those being re-registered in California, which is consistent with the intent of the existing language in section 2624(c). The modification simply makes explicit what is implied by the existing language, and ensures the regulation is as clear as possible.

Section 2625(e) and Section 2636(e): Staff added this subsection to support section

2624(a), which states that only the registered owner of a scrapped vehicle can be eligible for EFMP incentives. This subsection clarifies that an eligible vehicle cannot be undergoing a change of ownership, which supports the intent of the existing language in section 2624(a).

Scrapped Vehicle Minimum Eligibility Requirements

Section 2624(b) and Section 2635(b): Staff added language to clarify that a vehicle with a salvage title must be registered as operable to be eligible for retirement. This clarification is consistent with the overall intent of the program to ensure scrapped vehicles are operational and being driven in the state, as required in 2624(c).

Section 2624(c)(2)(C): Staff made a slight change to the timing requirements of invoices submitted to support scrapped vehicle eligibility. Under this section, an unregistered vehicle, or a currently registered vehicle not meeting the DMV requirements of sections 3394.4 (b)(6)(C) and 3394.4 (b)(6)(D), may still qualify for an incentive if the registered owner can provide invoices from an Automotive Repair Dealer demonstrating that the vehicle was operated in California in the last two years. As proposed, the oldest invoice may not be older than twenty-four months prior to the date of application submittal, a change from the original requirements of application receipt. This change will provide certainty to applicants, as they can more easily control when an application is submitted, but not necessarily when it is received.

Section 2624(e) and Section 2635(e): Staff added language to clarify the vehicle weight limit is inclusive of 10,000 pounds. This change was made to be consistent with the existing requirements cited in section 2624(c)(1). Also, staff reinstated clarifying language that was erroneously removed in the original proposal. This reinstated language provides specific examples of the types of eligible vehicles, which helps the reader to correctly interpret this subsection.

Nonsubstantive Modifications

In addition to the modifications described above, additional modifications correcting grammar, punctuation and spelling have been made throughout the proposed changes. These changes are nonsubstantive.

Additional Document Added to the Record

In the interest of completeness, staff has also added to the rulemaking record and invites comments on Attachment B.

This document is available for inspection by contacting Brad Bechtold, Regulations Coordinator, at (916) 322-6533.

Agency Contacts

Inquiries concerning the substance of the proposed regulatory action may be directed to the agency representative Aaron Hilliard, Manager, Alternative Strategies Section, at

(916) 322-4781 or Nicholas Nairn-Birch, Air Resources Engineer, Alternative Strategies Section, at (626) 575-6746.

Public Comments

Written comments will only be accepted on the modifications identified in this Notice. Comments may be submitted by postal mail or by electronic submittal no later than 5:00 p.m. on the due date to the following:

Postal mail: Clerk of the Board, California Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

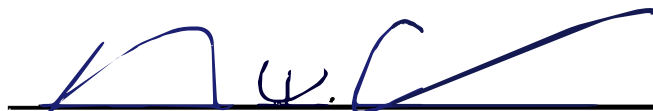
Please note that under the California Public Records Act (Gov. Code § 6250 et seq.), your written and verbal comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

In order to be considered by the Executive Officer, comments must be directed to CARB in one of the two forms described above and received by CARB by 5:00 p.m., on the deadline date for public comment listed at the beginning of this notice. Only comments relating to the above-described modifications to the text of the regulations shall be considered by the Executive Officer.

If you need this document in an alternate format or another language, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 no later than five (5) business days from the release date of this notice. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Si necesita este documento en un formato alterno u otro idioma, por favor llame a la oficina del Secretario del Consejo de Recursos Atmosféricos al (916) 322-5594 o envíe un fax al (916) 322-3928 no menos de cinco (5) días laborales a partir de la fecha del lanzamiento de este aviso. Para el Servicio Telefónico de California para Personas con Problemas Auditivos, ó de teléfonos TDD pueden marcar al 711.

CALIFORNIA AIR RESOURCES BOARD



Richard W. Corey
Executive Officer

Date: January 31, 2019

Attachments

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see CARB's website at www.CARB.ca.gov.