South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

Office of the Executive Officer
Wayne Nastri
909.396.2100, fax 909.396.3340

October 20, 2020

Richard Corey
Executive Officer
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Re: Draft 2020 Mobile Source Strategy

Dear Mr. Corey,

Thank you for the opportunity to comment on CARB's Workshop Discussion Draft 2020 Mobile Source Strategy, dated September 30, 2020. The 2020 Mobile Source Strategy is being developed to primarily address SB44 which requires CARB to "update the 2016 mobile source strategy to include a comprehensive strategy for the deployment of medium-duty and heavy-duty vehicles in the state for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle greenhouse gas emissions from the medium-duty and heavy-duty vehicle sector." South Coast AQMD staff appreciates the efforts by CARB staff in preparing this draft document which will be used to develop the draft final 2020 Mobile Source Strategy for your Board's consideration in December.

With mobile sources responsible for over 80% of NOx emissions in the South Coast Air Basin (Basin), CARB's Mobile Source Strategy and the subsequent State Mobile Source SIP Strategy are by far the most important elements for meeting the ozone standards in our Basin in 2023, 2031, and 2037. We offer the following comments for your consideration:

1. <u>2023 Ozone Attainment Challenge</u>

The lack of discussion of the 2023 8-hour ozone attainment date in the South Coast Air Basin in the draft Mobile Source Strategy is very disturbing and likely unlawful. The attainment deadline is rapidly approaching and needs a coordinated, massive effort by all levels of government to

address. In particular, CARB is required by law to adopt rules and regulations and other measures that in conjunction with measures by the districts and the U.S. EPA will achieve the federal ambient air quality standards by the applicable dates. Health & Safety Code Section 39602.5(a). Failing to address the 2023 standard violates this mandate as well as the requirements of SB44.

The 2020 Draft Mobile Source Strategy (MSS) is focused on the long term attainment deadlines and GHG targets and it does not address the significant NOx emission reductions needed for attaining the 1997 8-hour ozone attainment in the basin in 2023, as outlined in the 2016 MSS. The region is facing a daunting challenge to meet this standard with only three years remaining from the attainment deadline. The 2020 MSS should acknowledge the progress made to date in achieving the 2016 MSS emission reduction targets and the significant emission reduction shortfall in 2023. The 2020 MSS should also specify the substantial level of additional federal and state regulations and incentive funding that would be needed to achieve the balance of the NOx emission reductions for attaining the ozone standard in 2023.

2. 2031 and 2037 Ozone Attainment Deadlines

Significant levels of NOx reductions from mobile sources are also needed to attain the 2008 8-hour ozone standard (75 ppb) and the 2015 8-hour ozone standard (70 ppb) by 2031 and 2037, respectively, in the Basin. The 2020 MSS incudes concepts and scenarios for reducing emissions from various mobile source categories; however, it does not include specific strategies and emission reduction targets. Also, based on our preliminary review of the draft 2020 MSS, it appears that the total projected reductions from all scenarios for all mobile source categories will not be adequate for 2031 attainment.

In order to better assess the reduction needs from each source category for attainment, we strongly recommend that first the actual projected emission benefits from recently adopted regulations and recent mandates (e.g., Governor's Executive Order for new zero-emission passenger cars and trucks) be clearly identified and quantified. Second, specific new strategies and associated reduction targets (along with implementing agencies) should be identified in the MSS for each source category, to the extent possible, along with the corresponding reductions. These strategies could be based on the anticipated targets for the regulations and programs that are currently under development. Finally, for the balance of reductions for each category (based on 2016 MSS targets), the MSS should identify possible federal and state regulatory measures, technology needs, legislative needs (if applicable), infrastructure needs (including cost), and the anticipated level of incentive funding. Also, given the need for both short-term and long-term reductions, considerations must be given for both technologies that are commercially available today (e.g., near-zero technologies) as well as technologies that are being developed and demonstrated (e.g., zero-emission technologies).

3. Incentive Funding for Technology Demonstration and Technology Deployment

As noted in the draft 2020 MSS, as a complement to the regulatory measures, incentive funding will be critical to accelerate development and deployment of cleaner technologies. The draft 2020 MSS estimates that $15 to $29 billion in funding will be needed to achieve the technology trajectories over the next five years for on-road vehicles and several categories of off-road equipment (excluding ocean-going vessels, locomotives, and aircraft). We recommend that the funding needs for both technology demonstration and technology deployment be identified and further refined for each source category based on specific technology needs and the reduction shortfalls after consideration of anticipated regulations. For example, extensive retrofit and after treatment technologies need to be demonstrated and commercialized for ocean-going vessels (OGVs), which will be the largest NOx source in the Basin in 2031 and 2037. Successful demonstration of these technologies for both main and auxiliary OGV engines will be critical in developing effective incentive programs or regulatory measures. Given the need for significant levels of incentive funding for technology demonstration and deployment, we recommend that the 2020 MSS include a more refined estimate of cost covering all source categories and a more specific spending and fund-raising plan to meet the necessary short-term and long-term emission reduction needs.

4. Federal Sources

Lack of action by the federal government in reducing emissions from sources that are under its direct control has significantly hampered progress toward meeting the ozone standards in the Basin. Without substantial reductions from federal sources, which account for at least 36% of NOx emissions in the Basin, attainment of the ozone standards is unlikely. We therefore recommend that the draft MSS identify all possible approaches for CARB to address the emissions from federal sources namely OGV, locomotives, off-road equipment, and aircraft. These approaches could include, but are not limited to, maximum use of CARB's existing state authority over federal sources, seeking additional legislative authority, expanded state and local advocacy efforts, and seeking federal funding in areas where development of timely and stringent federal regulations are not expected.

5. 2022 AQMP Mobile Source Strategies

As you know, we have recently begun the process of developing the 2022 AQMP for the primary purpose of demonstrating attainment of the 2015 8-hour ozone in the Basin by 2037. In order to meet the EPA's August 2022 deadline for submitting the updated State Implementation Plan (SIP), the draft 2022 AQMP (including State SIP Strategy) will have to be released within one year. As part of the 2022 AQMP development efforts, South Coast AQMD staff has established two working groups, in conjunction with CARB staff, to help identify specific "defined" strategies for

on-road and off-road mobile sources for inclusion in the AQMP. Given the tight schedule to release the draft AQMP, it's imperative that the draft 2020 MSS include as much details on specific strategies as possible to provide the basis for the working group discussions and development of State SIP Strategy.

Thank you again for the opportunity to comment on the draft 2020 MSS. We are fully committed and look forward to working closely with your staff in developing strategies that will yield the required reductions for attainment of the ozone standards in the Basin.

If you have any questions or would like to discuss these comments, please contact me at 909-396-3131, wnastri@aqmd.gov, or Dr. Philip Fine, Deputy Executive Officer, Planning, Rule Development and Area Sources, at 909-396-2239, pfine@aqmd.gov.

Sincerely,

Wayne Nastri
Executive Officer

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