Staff Report

2026 Updates to Motor Vehicle Emissions Budgets for the San Joaquin Valley 75 parts per billion Ozone State Implementation Plan

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CALIFORNIA
AIR RESOURCES BOARD

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Table of Contents

I. Executive Summary

Transportation conformity is the federal regulatory procedure that ensures coordination between transportation and air quality planning. Required under section 176(c) of the Clean Air Act (Act), conformity ensures that federal funding and approval are granted only to highway and transit projects that are consistent with, or "conform to," the air quality goals established by a relevant attainment plan or other state implementation plans (SIP) revision. This coordination is achieved through the use of motor vehicle emissions budgets (MVEB), which are established in SIPs for national ambient air quality standards (NAAQS or standard). Transportation planning agencies must demonstrate that the emissions from the proposed plan, program, or project do not exceed the applicable MVEBs established in the applicable SIP revision and thus conform to the SIP.

To meet the requirements of the Act for the 75 parts per billion (ppb) 8-hour ozone NAAQS (75 ppb ozone NAAQS) in the San Joaquin Valley (Valley or SJV), CARB submitted the *2016 Plan for the 2008 8-Hour Ozone Standard* (Valley 75 ppb ozone Plan)[1] to the U.S. Environmental Protection Agency (U.S. EPA) that included MVEBs developed using the California on-road mobile source EMission FACtor model, EMFAC2014.[2] This version of the model used the latest available emissions factors at the time, along with activity data provided by the Metropolitan Planning Organizations (MPOs) with jurisdiction over the Valley. In the *2018 Updates to the California State Implementation Plan* (2018 SIP Update),[3] CARB updated the post-2020 MVEBs using EMFAC2017,[4] which used the latest methodologies and emissions factors available at the time and reflected regulations adopted by CARB as of December 2017. These updated MVEBs included a safety margin to accommodate increases in projected emissions resulting from methodological changes in the EMFAC model.

In 2021, California released EMFAC2021,[5] a new version of its motor vehicle emissions model that incorporated updated data, methodologies, and the impacts of new and revised regulations. Effective November 15, 2022, the U.S. EPA approved EMFAC2021 for use in SIP development and transportation conformity and set a 2-year grace period for its use. EMFAC2021 must be used for all new regional transportation conformity analyses initiated on or after November 15, 2024.

Due to updated data and methodologies, EMFAC2021 estimates higher overall emissions from the on-road vehicle fleet in many areas of the State compared to the prior versions of

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[1] *2016 Plan for the 2008 8-Hour Ozone Standard*
[2] *CARB EMFAC2014 Model and Documentation*
[3] *2018 Updates to the California State Implementation Plan*
[4] *CARB EMFAC2017 Model and Documentation*
[5] *CARB EMFAC2021 Model and Documentation*

the model. As a result, MPOs in the Valley may not be able to demonstrate conformity against the SIP-approved MVEBs developed to align with EMFAC2017. To address this and align the MVEBs in the Valley 75 ppb ozone Plan with EMFAC2021, CARB revised the MVEBs on March 27, 2025, in the *2025 Updates to Motor Vehicle Emissions Budgets for California Ozone State Implementation Plans* (2025 MVEB revision).[6]

Shortly after CARB adopted the 2025 MVEB revision, the current federal administration voted to approve illegal and unconstitutional Congressional resolutions purporting to revoke the U.S. EPA's approval of several of California's Clean Air Act waiver requests. These waivers, which were approved by the U.S. EPA, are not "rules" subject to the Congressional Review Act, were submitted for key regulations reflected in EMFAC2021, including the Advanced Clean Trucks (ACT) and the Heavy-Duty Low nitrous oxide (NOx) Omnibus (Omnibus) regulations.

In response to these illegal federal actions and to ensure MPOs can continue to meet conformity requirements, in the *2026 Updates to Motor Vehicle Emissions Budgets for the San Joaquin Valley 75 parts per billion Ozone State Implementation Plan* (2026 Valley Budget Update), CARB is again updating the MVEBs for the 75 ppb ozone NAAQS. The 2026 Valley Budget Update accounts for the illegal purported revocation of the approved waivers for the ACT and Omnibus regulations by removing the associated emissions reductions from the MVEBs.

U.S. EPA guidance on conformity states that U.S. EPA cannot approve updates to existing MVEBs unless it can be demonstrated that the SIP continues to meet applicable Clean Air Act requirements, including Reasonable Further Progress (RFP) and attainment demonstrations.[7] As shown in Chapter III, the changes in emissions resulting from updated MVEBs do not interfere with either the RFP or the attainment demonstrations in the Valley 75 ppb ozone Plan.

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[6] *2025 Updates to California Motor Vehicle Emissions Budgets*

[7] *U.S. EPA MOVES model guidance*

II. Background

The Act requires the U.S. EPA to establish NAAQS for criteria pollutants, including ozone, and to periodically review the latest health research to ensure that the NAAQS remain protective of public health. For areas that do not meet the NAAQS, the Act mandates that states develop SIP revisions demonstrating how the area will attain the standards. The Act also specifies required SIP elements based on the pollutant and the severity of the air quality problem.

In California, CARB and local air districts collaborated to develop, adopt, and submit revisions to the California SIP that met the requirements for the 75 ppb ozone NAAQS. These SIP revisions included several elements required by the Act, including emissions inventories for ozone precursors, reactive organic gases (ROG), and oxides of nitrogen (NOx). These inventories are a summary of the regions' total emissions from all sources, and are needed to demonstrate elements required by the Act, such as the RFP and attainment of the NAAQS by the attainment date. The portion of the total emissions inventory from on-road motor vehicles is singled out by the Act for transportation conformity purposes and referred to as an MVEB.[8]

Section 176(c) of the Act establishes transportation conformity requirements that are intended to ensure that transportation activities do not hinder air quality improvement efforts. To accomplish this, the Act requires that transportation plans, programs, and projects that obtain federal funds or approvals be consistent with, or conform to, applicable attainment plans and other SIP revisions before being approved by an MPO. Conformity to the SIP means that proposed transportation activities must not:

1) Cause or contribute to any new violation of any NAAQS;
2) Increase the frequency or severity of any existing violation of any NAAQS; or
3) Delay the timely attainment of any NAAQS or any required interim emission reductions or other milestones.

In addition, the U.S. EPA's transportation conformity rule[9] requires that conformity analyses in transportation plans be based on "the latest emissions estimation model available," which is achieved by using the latest U.S. EPA-approved motor vehicle emissions model. In California, this model is EMFAC, developed by CARB for on-road mobile sources.

The MVEBs serve as the mechanism to ensure that emissions projected from transportation planning activities align with the on-road emissions accounted for in the SIP. MVEBs are submitted in certain SIP revisions for the NAAQS and their precursors. For ozone SIP

[8] *U.S.* EPA guidance on conformity
[9] 40 CFR 93.111 -- Criteria and procedures: Latest emissions model.

revisions, MVEBs are set for ROG and NOx emissions in future RFP milestone years and the attainment year. Once approved by the U.S. EPA as part of the SIP, MPOs must demonstrate that emissions from new regional transportation plans (RTPs) or federal transportation improvement programs do not exceed the MVEBs for the applicable RFP milestone or attainment years.

III. San Joaquin Valley 75 ppb Ozone Motor Vehicle Emissions Budgets

A. History of the Valley 75 ppb ozone MVEBs

Effective July 20, 2012,[10] U.S. EPA designated the Valley as nonattainment for the 75 ppb ozone NAAQS with an Extreme classification. Under the Act, areas classified as Extreme are required to submit a SIP revision that meets the requirements for Extreme areas and demonstrates attainment of the standard by July 20, 2032.

To meet these requirements, the San Joaquin Valley Air Pollution Control District, in coordination with CARB, developed the *San Joaquin Valley 2016 Plan for the 2008 8-Hour Ozone Standard* (2016 Valley Ozone Plan). CARB adopted the 2016 Valley Ozone Plan on July 21, 2016, and submitted it to the U.S. EPA as a revision to the California SIP on August 24, 2016.

The 2016 Valley Ozone Plan demonstrated that the Valley would attain the 75 ppb ozone NAAQS in 2031 and addressed all of the SIP requirements of the Act, including MVEBs for the RFP milestone years and attainment year developed using EMFAC2014, California's latest motor vehicle emission model at that time.

Court decisions[11] following the development and submittal of the 2016 Valley Ozone Plan determined that certain U.S. EPA-published guidance related to RFP and other SIP elements were not consistent with the Act. In response, CARB updated the RFP demonstration and related portions of the 2016 Valley Ozone Plan to reflect the court decisions as part of the 2018 SIP Update adopted by CARB on October 25, 2018.[12] The 2018 SIP Update included a revised RFP demonstration starting from a new baseline year and revised MVEBs for the 75 ppb ozone NAAQS developed using EMFAC2014 but including a safety margin to align the MVEBs with the latest motor vehicle emission model available in 2018, EMFAC2017. U.S. EPA approved into the SIP the 2016 Valley Ozone Plan and relevant portions of the 2018 SIP Update for the Valley, including the MVEBs, on April 24, 2019.[13]

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[10] *U.S. EPA designations for 2008 ozone NAAQS*
[11] *South Coast Air Quality Management District v. EPA, No. 15-1115 (D.C. Cir. 2018)*
[12] *CARB - 2018 SIP Update*
[13] *U.S. EPA approval of SJV 75 ppb ozone Plan*

In 2021, California released a new version of its motor vehicle emission model, EMFAC2021,[14] which incorporated updated data and methodologies to reflect CARB's latest understanding of statewide and regional vehicle emissions. EMFAC2021 included the effects of new and revised regulations, including the ACT and the Omnibus regulations. It also incorporated new forecasting frameworks to project zero-emission vehicle (ZEV) populations, updated estimates of heavy-duty vehicle miles traveled, and included features to reflect more fuels and technologies, including emissions from Plug-in Hybrid Electric Vehicles and natural gas trucks. In addition, heavy-duty truck categories have been expanded to show more vocational types and reflect updated emission rates. Effective November 15, 2022, the U.S. EPA approved EMFAC2021 for use in SIP development and for transportation conformity and set a 2-year grace period for its use. EMFAC2021 was required for all new regional transportation conformity analyses started on or after November 15, 2024.[15]

Due to updated data and methodologies, EMFAC2021 estimates higher overall emissions from the on-road vehicle population in many areas of the State compared to the prior versions of the model. As a result, MPOs in the Valley may not have been able to demonstrate conformity against MVEBs established in the 2018 SIP Update.

To address this, on March 27, 2025, CARB again revised the MVEBs in the Valley for the 75 ppb ozone NAAQS to align with EMFAC2021 in the *2025 Updates to Motor Vehicle Emissions Budgets for California Ozone State Implementation Plans* (2025 MVEB Revision).[16]

B. Recent Federal Action

Following the 2025 MVEB Revision to account for EMFAC2021, the federal government took several actions that directly impacted the adopted budgets. In June 2025, the federal government illegally and unconstitutionally passed Congressional resolutions purporting to revoke the U.S. EPA's approval of two of California's Clean Air Act waiver requests. These waivers covered key regulations reflected in EMFAC2021, the ACT, and the Omnibus regulations.[17] Because of the purported revocation, the emissions reduction benefits associated with these regulations are being removed from EMFAC2021 via off-model adjustments to allow the U.S. EPA to approve new MVEBs or conformity demonstrations. Accordingly, the updated MVEBs in the 2026 Valley Budget Update reflect the loss of emissions reductions resulting from the purported waiver revocations.

In addition, in February 2026, the U.S. EPA partially disapproved the SIP submittal of CARB's Clean Truck Check (CTC) program to the extent it applies to vehicles registered out-of-state

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[14] *CARB EMFAC2021 Model and Documentation*
[15] *U.S. EPA Release of EMFAC2021*
[16] *CARB 2025 Updates to Motor Vehicle Emissions Budgets*
[17] *Purported Congressional disapproval of California Waivers*

or out-of-country, and approved the remainder of the CTC program.[18] Since the U.S. EPA has yet to approve EMFAC2021 adjustment factors for the partial approval of the CTC regulation to be used in MVEBs, CARB is not including emissions reductions from this regulation in this revision.

C. Updated Motor Vehicle Emissions Budgets

To align future-year MVEBs for the Valley for the 75 ppb ozone NAAQS with EMFAC2021 and to account for recent federal actions, including the purported revocation of previously approved waivers for the ACT and the Omnibus regulations, CARB is proposing updated MVEBs for the 75 ppb ozone NAAQS in the Valley, Table III-1.

The updated MVEBs include vehicle exhaust from two combustion processes (running and start exhaust) and four evaporative processes (hot soak, running losses, diurnal, and resting losses). As discussed above, the estimated emissions have been adjusted to reflect lost emissions reduction benefits from the illegal federal actions targeting CARB's ACT and Omnibus regulations.

The MVEBs for the eight Valley MPOs[19] were developed for a summer average day emissions consistent with the ozone attainment and RFP demonstrations, using the following method:

1) Used the EMFAC2021 model to produce the on-road motor vehicle emissions (average summer day) for the appropriate pollutants (ROG and NOx) using 2025 Federal Statewide Transportation Improvement Program (FSTIP) activity data (VMT and Speed);
2) Applied Off-Model Adjustment Factors to reflect the illegal federal actions purporting to revoke the Clean Air Act waivers for the ACT and Omnibus regulations[20]; and
3) Rounded up the totals for ROG and NOx to the nearest tenth of a ton.

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[18] *U.S. EPA proposal to partially disapprove California; Heavy Duty Vehicle Inspection*

[19] This includes the Fresno Council of Governments (FCOG), Kern Council of Governments (KCOG) [SJV portion of KCOG], Kings County Association of Governments (KCAG), Madera County Transportation Commission (MCTC), Merced County Association of Governments (MCAG), San Joaquin Council of Governments (SJCOG), Stanislaus Council of Governments (StanCOG), and Tulare County Association of Governments (TCAG).

[20] *EMFAC Off-Model Adjustment Factors to Remove Benefits ACT and Omnibus*

Table III-1, Updated 75 ppb ozone NAAQS MVEBs for the Valley

(summer planning inventory, tpd)

Fresno MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	4.39	8.22	3.83	7.34	3.52	6.93
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.13	0.01	0.38	0.01	0.57
Total[a]	4.39	8.34	3.84	7.72	3.53	7.51
Motor Vehicle Emissions Budget[b]	4.4	8.4	3.9	7.8	3.6	7.6

Kern MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	3.67	10.39	3.26	9.68	3.01	9.38
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.19	0.01	0.57	0.02	0.86
Total[a]	3.68	10.58	3.27	10.26	3.03	10.25
Motor Vehicle Emissions Budget[b]	3.7	10.6	3.3	10.3	3.1	10.3

Kings MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	0.77	2.01	0.69	1.92	0.65	1.87
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.04	0.00	0.11	0.00	0.17
Total[a]	0.77	2.05	0.70	2.02	0.65	2.04
Motor Vehicle Emissions Budget[b]	0.8	2.1	0.7	2.1	0.7	2.1

Madera MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	0.85	1.77	0.73	1.54	0.67	1.44
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.03	0.00	0.08	0.00	0.12
Total[a]	0.85	1.80	0.73	1.62	0.67	1.55
Motor Vehicle Emissions Budget[b]	0.9	1.9	0.8	1.7	0.7	1.6

Merced MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	1.43	4.45	1.23	4.06	1.11	3.86
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.08	0.00	0.23	0.01	0.34
Total[a]	1.43	4.53	1.23	4.29	1.12	4.20
Motor Vehicle Emissions Budget[b]	1.5	4.6	1.3	4.3	1.2	4.3

San Joaquin MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	3.46	5.82	3.06	5.17	2.77	4.75
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.09	0.01	0.26	0.01	0.38
Total[a]	3.46	5.91	3.07	5.43	2.77	5.13
Motor Vehicle Emissions Budget[b]	3.5	6.0	3.1	5.5	2.8	5.2

Stanislaus MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	2.34	3.75	2.05	3.28	1.87	3.05
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.05	0.00	0.15	0.01	0.23
Total[a]	2.34	3.8	2.05	3.43	1.88	3.27
Motor Vehicle Emissions Budget[b]	2.4	3.9	2.1	3.5	1.9	3.3

Tulare MVEBs	2026 ROG	2026 NOx	2029 ROG	2029 NOx	2031 ROG	2031 NOx
Vehicular Exhaust	2.12	3.52	1.84	3.04	1.68	2.80
Lost benefits from federal actions targeting ACT/Omnibus	0.00	0.04	0.00	0.13	0.01	0.20
Total[a]	2.13	3.57	1.85	3.17	1.69	3.00
Motor Vehicle Emissions Budget[b]	2.2	3.6	1.9	3.2	1.7	3.1

[a]Values may not add up due to rounding.

[b]Motor Vehicle Emission Budgets calculated are rounded up to the nearest tenth of a ton per day (tpd).

Source: EMFAC2021 v1.02

The MVEBs were established according to the methodology outlined above and in consultation with the Valley MPOs, the San Joaquin Valley Air Pollution Control District, U.S. EPA, Federal Highway Administration, and Federal Transit Administration. These MVEBs will be effective once approved by the U.S. EPA.

As mentioned above, the U.S. EPA can only approve updates to MVEBs if it is demonstrated that the new MVEBs do not interfere with the RFP or attainment demonstrations. As demonstrated below, the updated MVEBs do not interfere with the San Joaquin Valley's ability to meet RFP milestones or to attain the 75 ppb ozone NAAQS by the required attainment date.

D. Reasonable Further Progress Demonstration Analysis

U.S. EPA guidance states that it cannot approve updates to existing MVEBs unless it can be demonstrated that the SIP continues to meet the applicable requirements of the Act, including demonstrating RFP, with the new level of motor vehicle emissions

Sections 172(c)(2) and 182(b)(1) of the Act require attainment plans to provide for RFP. RFP is defined in section 171(1) of the Act as "…such annual incremental reductions in emissions of the relevant air pollutant as are required…for the purpose of ensuring attainment of the applicable national ambient air quality standard by the applicable date." This requirement to demonstrate steady progress in emission reductions between the baseline year and attainment date ensures that areas will not delay implementation of control programs until immediately before the attainment deadline.

There are two separate RFP requirements for ozone nonattainment areas, depending upon their classification. For ozone nonattainment areas classified as Moderate or above, there is a one-time requirement for a 15% reduction in ROG emissions over the first six years of the planning period (section 182(b)(1)). For ozone nonattainment areas classified as Serious or higher, section 182(c)(2)(B) of the Act has an additional requirement to demonstrate a 3% per year cumulative reduction of ozone precursors, ROG, and NOx, averaged over each consecutive three-year period until attainment. The U.S. EPA implementation rule for the 75 ppb ozone NAAQSs (Ozone Rule) allows NOx substitution if the State can demonstrate that NOx reductions are equivalent to ROG reductions to support attainment of the ozone NAAQS.[21]

In 1997, the U.S. EPA approved a 15% ROG-only rate of progress demonstration for the Valley for the 1-hour ozone NAAQS covering the entire nonattainment area for the 75 ppb ozone NAAQS.[22] In the U.S. EPA's Implementation Rule[23], the U.S. EPA states that if an area has met this requirement while subject to section 182(b)(1)(A) for the 1-hour ozone NAAQS, it will not have to meet it again for the 8-hour standard. As such, the requirement to demonstrate a reduction in ROG of "at least 15% from baseline emissions" (section 182(b)(1)(A)(i)) for the first 6 years of the attainment planning period has been met for the Valley. For the 182(c)(2)(B) RFP requirement of the Act, the 2018 SIP Update included a demonstration that the Valley achieved the required 3% per year reductions in ozone precursor emissions until attainment. U.S. EPA approved the RFP demonstration in the 2016 Valley Ozone Plan, effective April 24, 2019.[24]

The updated MVEBs have the potential to adversely affect the RFP demonstration in the 2016 Valley Ozone Plan if the updated MVEBs are larger than the MVEBs for the Valley in the 2018 SIP Update. Table III-2 compares the MVEBs from the 2018 SIP Update to the current updated MVEBs for every county and all future RFP milestone years in the Valley.

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[21] *Implementation Rule for the 2008 ozone standard*
[22] *U.S. EPA 1997 approval of SJV SIP*
[23] *U.S. EPA: Final Rule To Implement the 8-Hour Ozone NAAQS*
[24] U.S. EPA approval of SJV ozone SIP

Table III-2, Comparison of 2018 SIP Update MVEBs to 2026 Updated MVEBs by County

(summer planning inventory, tpd)

	2018 SIP Update MVEBs		Updated MVEBs		(Updated MVEBs) – (2018 SIP Update MVEBs)	
Fresno MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	4.9	13.2	4.4	8.4	-0.5	-4.8
2029	4.5	12.4	3.9	7.8	-0.6	-4.6
2031	4.2	12.1	3.6	7.6	-0.6	-4.5
Kern MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	4.2	14.4	3.7	10.6	-0.5	-3.8
2029	4	14.3	3.3	10.3	-0.7	-4.0
2031	3.9	14.3	3.1	10.3	-0.8	-4.0
King MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	0.9	2.6	0.8	2.1	-0.1	-0.5
2029	0.8	2.6	0.7	2.1	-0.1	-0.5
2031	0.8	2.6	0.7	2.1	-0.1	-0.5
Madera MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	1	2.5	0.9	1.9	-0.1	-0.6
2029	0.9	2.4	0.8	1.7	-0.1	-0.7

	2018 SIP Update MVEBs		Updated MVEBs		(Updated MVEBs) - (2018 SIP Update MVEBs)	
2031	0.8	2.3	0.7	1.6	-0.1	-0.7
Merced MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	1.5	5.9	1.5	4.6	0.0	-1.3
2029	1.3	5.6	1.3	4.3	0.0	-1.3
2031	1.2	5.4	1.2	4.3	0.0	-1.1
San Joaquin MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	3.5	7	3.5	6.0	0.0	-1.0
2029	3.1	6.6	3.1	5.5	0.0	-1.1
2031	2.8	6.3	2.8	5.2	0.0	-1.1
Stanislaus MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	2.2	4.9	2.4	3.9	0.2	-1.0
2029	2	4.5	2.1	3.5	0.1	-1.0
2031	1.8	4.3	1.9	3.3	0.1	-1.0
Tulare MVEBs	ROG	NOx	ROG	NOx	ROG	NOx
2026	2.1	4	2.2	3.6	0.1	-0.4

	2018 SIP Update MVEBs		Updated MVEBs		(Updated MVEBs) – (2018 SIP Update MVEBs)	
2029	1.8	3.7	1.9	3.2	0.1	-0.5
2031	1.7	3.5	1.7	3.1	0.0	-0.4

To verify that the 2026 updated MVEBs do not interfere with the U.S. EPA-approved RFP demonstration, it is necessary to sum the total of the differences in all counties between the 2018 SIP Update MVEBs and the updated MVEBs in the 2026 Valley Budget Update. In order to apply the most conservative test of the EMFAC adjustments to the RFP demonstration, only the sum of the increases in the ROG and NOx MVEBs are accounted for as an EMFAC2021 adjustment to the RFP demonstration, Table III-3.

Table III-3, Difference between the 2018 SIP Update MVEBs and 2026 Updated MVEBs, Sum of Increases

(summer planning inventory, tpd)

	ROG	NOx
2026	0.3	0.0
2029	0.2	0.0
2031	0.1	0.0

To demonstrate that RFP is maintained with the updated MVEBs, Table III-4 shows the RFP demonstration from the 2018 SIP Update with the EMFAC2021 adjustments in the future years of 2026, 2029, and 2031. The RFP demonstration with the adjustments from the 2026 updated MVEBs still achieves an average emission reduction of at least 3% per year from the 2011 baseline year through the attainment year. Even with the increases identified in Table III-3, Table III-4 demonstrates that the updated MVEBs do not interfere with the RFP demonstration as submitted in the 2018 SIP Update.

Table III-4, Valley 75 ppb Ozone Standard RFP Demonstration

(summer planning inventory, tpd)

Year	2011	2026	2029	2031
ROG emissions	378.7	300.3	301.9	302.9
EMFAC2021 adjustment		0.3	0.2	0.1
Adjusted ROG emissions	378.7	300.6	302.1	303.1
Required % change since 2011		45.0%	54.0%	60.0%
Target ROG level		208.3	174.2	151.5
Shortfall (-)/ Surplus (+) in ROG		-92.3	-127.9	-151.6
Shortfall (-)/ Surplus (+) in ROG, %		-24.4%	-33.8%	-40.0%
Year	**2011**	**2026**	**2029**	**2031**
NOx emissions	375.6	143.0	131.1	125.0
EMFAC2021 adjustment		0.0	0.0	0.0
Adjusted baseline NOx	375.6	143.0	131.1	125.0
Change in NOx since 2011		232.6	244.5	250.6
Change in NOx since 2011, %		61.9%	65.1%	66.7%
NOx reductions since 2011 used for ROG substitution, %		24.4%	33.8%	40.0%
NOx reductions since 2017 surplus after meeting ROG substitution, %		37.6%	31.3%	26.7%
RFP shortfall (-), if any		0%	0%	0%
RFP met?		YES	YES	YES

E. Attainment Demonstration Analysis

U.S. EPA guidance states that it cannot approve updates to existing MVEBs unless it can be demonstrated that the SIP continues to meet the applicable requirements of the Act, including demonstrating attainment, with the new level of motor vehicle emissions.

The 2016 Valley Ozone Plan used photochemical modeling to demonstrate that the control strategy would achieve the level of emissions reductions necessary to bring the Valley into attainment for the 75 ppb ozone NAAQS by 2031, the attainment year for Extreme nonattainment areas.

To demonstrate that the updated MVEBs do not interfere with the attainment demonstration for the 75 ppb ozone NAAQS in the Valley, we show that the 2026 updated 2031 MVEBs are less than or equal to the On-Road Mobile Source emissions in the SIP-approved attainment demonstration. Since the on-road mobile source emissions are the only portion of the total emissions being updated in the MVEBs compared to the emissions in the attainment demonstration, a conclusion can be made that the updated MVEBs do not interfere with the approved attainment demonstration. Table III-5 compares the 2031 On-Road Mobile Source Attainment Inventory to the updated 2031 MVEBs for the 75 ppb ozone NAAQS. The updated MVEBs are lower than the U.S. EPA-approved 2031 on-road mobile source emissions in the 2016 Valley Ozone Plan for both ROG and NOx, with the updated NOx MVEBs being significantly lower. As such, the updated MVEBs do not interfere with the attainment demonstration submitted in the 2016 Valley Ozone Plan.

Table III-5, Direct Comparison of the 2016 Valley Ozone Plan 2031 On-Road Mobile Source Attainment Inventory to the Updated 2031 MVEBs

(summer planning inventory, tpd)

Attainment Year	Attainment On-Road Mobile Source Inventory in the 2016 Valley Ozone Plan		Sum of Updated MVEBs		(Sum of Updated MVEBs) – (Attainment On-Road Mobile Source Inventory)	
	ROG	NOx	ROG	NOx	ROG	NOx
2031	18.3	45.1	15.7	37.5	-2.6	-7.6

F. Summary of Updated MVEBs for the Valley 75 ppb Ozone NAAQS

In the 2026 Valley Budget Update, CARB is updating the MVEBs for the Valley for the 75 ppb ozone NAAQS to reflect EMFAC2021 and to account for recent federal actions targeting CARB regulations. If approved by the Board, CARB will submit the MVEBs in the 2026 Valley Budget Update into the California SIP to replace the SIP-approved MVEBs originally included in the 2018 SIP Update. As demonstrated above, the 2026 updated MVEBs do not alter or interfere with the RFP demonstration included in the 2018 SIP Update for the 2026, 2029, or 2031 RFP milestone years. In addition, the 2026 updated MVEBs do not interfere with the attainment demonstration in the 2016 Valley Ozone Plan for the 2031 attainment year.

IV. Environmental Impacts

A. Introduction

This chapter provides the basis for CARB's determination that the 2026 Valley Budget Update is exempt from the requirements of the California Environmental Quality Act (CEQA). A brief explanation of this determination is provided in section B below. CARB's regulatory program, which involves the adoption, approval, amendment, or repeal of NAAQSs, rules, regulations, or plans for the protection and enhancement of the State's ambient air quality, has been certified by the California Secretary for Natural Resources under Public Resources Code section 21080.5 of CEQA (14 CCR 15251(d)). Public agencies with certified regulatory programs are exempt from certain CEQA requirements, including but not limited to preparing environmental impact reports, negative declarations, and initial studies. CARB, as a lead agency, prepares a substitute environmental document (referred to as an "Environmental Analysis" or "EA") as part of the Report prepared for a proposed action to comply with CEQA (17 CCR 60000-60008). If the 2026 Valley Budget Update is finalized, a Notice of Exemption will be filed with the Office of the Secretary for the Natural Resources Agency for public inspection.

B. Analysis

CARB has determined that the 2026 Valley Budget Update is exempt from CEQA under the "general rule" or "common sense" exemption (14 CCR 15061(b)(3)). The common sense exemption states a project is exempt from CEQA if "the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

As described in more detail above, the 2026 Valley Budget Update aligns the MVEBs in the Valley 75 ppb ozone Plan for the 75 ppb ozone NAAQS in response to recent U.S. EPA revocation of California waivers and EMFAC2021 to ensure emissions from transportation projects conform with emissions limitations and requirements of the SIP. By using EMFAC2021, areas across the State may not be able to demonstrate conformity against MVEBs established using EMFAC2017 in the SIPs for the 75 ppb ozone NAAQS. Therefore, CARB is updating the MVEBs for the Valley 75 ppb ozone Plan. This does not change any emissions requirements in the SIPs; rather, it ensures the MVEBs are consistent with up-to-date data so transportation projects meet SIP emissions requirements. Projects undertaken by MPOs will continue to be analyzed for environmental impacts as they are undertaken by local agencies.

Based on CARB's review, it is clear that there is no possibility that the 2026 Valley Budget Update will result in a significant adverse impact on the environment; therefore, this activity is exempt from CEQA.

V. Staff Recommendation

CARB staff recommends that the Board:

1. Adopt the 2026 Valley Budget Update, including the updated MVEBs in Table III for the eight counties in the San Joaquin Valley for the 75 ppb ozone NAAQS, and
2. Direct the Executive Officer to submit the 2026 Valley Budget Update to the U.S. EPA as a revision to the California SIP.