

State of California
AIR RESOURCES BOARD

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

Resolution 18-25

July 26, 2018

Agenda Item No.: 18-6-1

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the California Air Resources Board (CARB or Board) to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, sections 39002 and 39003 of the Health and Safety Code charge the Board with the responsibility for systematically attacking the serious air pollution problem caused by motor vehicles;

WHEREAS, in sections 43000 and 43000.5 of the Health and Safety Code, the Legislature declares that air pollutant emissions from motor vehicles continue to be the primary cause of air pollution in many parts of the state;

WHEREAS, section 40910 et seq. of the Health and Safety Code requires CARB and the air districts to adopt and implement plans to achieve the state ambient air quality standards by the earliest practicable date;

WHEREAS, section 43018 of the Health and Safety Code authorizes the Board to achieve the maximum degree of emission reduction possible from vehicular and other mobile sources in order to accomplish the attainment of the state standards for ambient air quality at the earliest practicable date;

WHEREAS, section 44125 of the Health and Safety Code establishes the Enhanced Fleet Modernization Program to voluntary retire passenger vehicles, light-duty and medium-duty trucks, and directs the Board, in consultation with the Bureau of Automotive Repair (Bureau), to develop guidelines to implement the Program;

WHEREAS, Health and Safety Code section 44124.5 establishes the Clean Cars 4 All Program to be administered by the Board to focus on achieving reductions in the emissions of greenhouse gases, improvements in air quality, and benefits to low-income state residents through the replacement of high-polluter motor vehicles with cleaner and more efficient motor vehicles or a mobility option;

WHEREAS, Health and Safety Code section 44124.5 requires that beginning in the 2018–19 fiscal year, and every fiscal year thereafter, CARB shall set specific, measurable goals for the replacement of passenger vehicles and light- and medium-duty trucks that are high polluters and take steps to meet the goals set forth;

WHEREAS, Health and Safety Code section 44124.5 requires that CARB shall ensure that (1) Where applicable, there is improved coordination, integration, and partnerships with other programs that target disadvantaged communities and receive moneys from the Greenhouse Gas Reduction Fund; (2) The replacement or mobility option is consistent with paragraph (6) of subdivision (d) of Section 44125; and (3) Provisions enhance the prescreening of applicants to Clean Cars 4 All, if determined by the Board to be appropriate;

WHEREAS, Health and Safety Code section 44125.5 requires that beginning no later than July 1, 2019, and every year thereafter, the Board, for both Clean Cars 4 All and the Enhanced Fleet Modernization Programs, shall collect and post on its website (1) The performance of both programs relative to the goals set pursuant to subdivision (b) of Section 44124.5 and subdivision (b) of Section 44125; (2) An accounting that includes, but need not be limited to, moneys allocated to the program and Clean Cars 4 All and the expenditures of the program and Clean Cars 4 All by region; and (3) A performance analysis broken down by district of the replacement and mobility options of the program and Clean Cars 4 All to identify areas to be emphasized when setting future goals or updating the guidelines;

WHEREAS, Health and Safety Code section 44125.5 requires that the analysis shall include (1) Whether a district implementing the replacement and mobility options component of the Enhanced Fleet Modernization Program or Clean Cars 4 All has a backlog or a waiting list for applicants and recommendations from the district or Board on how to eliminate the backlog or waiting list; (2) An evaluation of the funding for targeted outreach in low-income or disadvantaged communities, including whether the funding should be enhanced or modified to reach the goals set pursuant to subdivision (b) of Section 44124.5 and subdivision (b) of Section 44125; and (3) How incentive levels can be modified to maximize participation and emissions reductions;

WHEREAS, Health and Safety Code section 44125 requires that replacement light-duty trucks be held to the same standard for miles per gallon that is applicable to minivans. This subdivision shall apply to only purchasers who are retiring a light-duty truck;

WHEREAS, staff has proposed the regulations to establish the Clean Cars 4 All Program and amendments to the Enhanced Fleet Modernization Program, as set forth in Appendix A to the Initial Statement of Reasons released to the public on June 5, 2018;

WHEREAS, CARB staff conducted three public workshops in February 2018 and released concepts and draft regulatory language for public review;

WHEREAS, CARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary for Natural Resources under Public Resources Code section 21080.5 of the California Environmental Quality Act (CEQA; California Code of Regulations, title 14, section 15251(d)), and CARB conducts its CEQA review according to this certified program (California Code of Regulations, title 17, sections 60000-60007);

WHEREAS, staff has determined that the proposed amendments are exempt from CEQA under California Code of Regulations, title 14, section 15061(b)(3) ("common sense" exemption) and title 14, section 15308 ("Class 8" exemption: Actions Taken by Regulatory Agencies for Protection of the Environment) because the record evidence shows with certainty that the amendments will enhance the environment by better protecting the public from health impacts, the regulatory process involves procedures for protection of the environment, and the amendments will not result in any significant adverse environmental impacts as described in Chapter VII of the Staff Report;

WHEREAS, a public hearing and other administrative proceedings have been held according to the provisions of Chapter 3.5 (commencing with section 11340), part 1, division 3, title 2 of the Government Code;

WHEREAS, the Board finds that the adoption of Clean Cars 4 All amendments to the Enhanced Fleet Modernization Program Guidelines ensure the following:

- (1) Vehicles retired pursuant to the program are permanently removed from operation and retired at a dismantler under contract with the Bureau;
- (2) Districts retain authority to administer vehicle retirement programs otherwise authorized by law;
- (3) The program is focused where the greatest air quality impact can be identified;
- (4) The vehicle replacements are available in disadvantaged communities;
- (5) Coordination of the replacement program with the Bureau's Consumer Assistance Program will ensure that vehicle owners participate in the appropriate program to maximize emissions reductions;

WHEREAS, the Board further finds that:

The proposed amendments are exempt from CEQA under California Code of Regulations, title 14, section 15061(b)(3) ("common sense" exemption) and title 14, section 15308 ("Class 8" exemption: Actions Taken by Regulatory Agencies for Protection of the Environment) because the record evidence shows with certainty that the amendments will enhance the environment by better protecting the public from health impacts, the regulatory process involves procedures for

protection of the environment, and the amendments will not result in any significant adverse environmental impacts;

The proposed regulation and amendments meet the statutory requirements to codify the Clean Car 4 All Program and improve the Enhanced Fleet Modernization Program identified in section(s) 44124, 44124.5, 44125, 44125.5, and 44127 of the Health and Safety Code;

The proposed regulation and amendments were developed in an open public process, in consultation with affected parties, through numerous public workshops, individual meetings, and other outreach efforts, and these efforts are expected to continue;

No reasonable alternatives to the regulation and amendments considered to date, or that have otherwise been identified and brought to the attention of CARB, would be more effective at carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected entities than the proposed regulation; and

The proposed regulation and amendments are consistent with CARB's environmental justice policies and are targeted to alleviate the disproportionate pollution burden in disadvantaged communities.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves for adoption amendments to title 13, California Code of Regulations, sections 2620, 2621, 2622, 2623, 2624, 2626, 2627, 2629 and 2630 (renumber to section 2629.5); and adoption of sections 2622.5, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, and 2639.5, as set forth in Attachment A.

BE IT FURTHER RESOLVED that if there is a possibility that any modifications to the regulation made available for one or more 15 day public comment periods may affect the conclusion of the environmental analysis, the Executive Officer shall prepare and circulate any additional environmental analysis to the extent required by CARB's regulations pursuant to California Code of Regulations, title 17, sections 60000-60007, and prepare written responses to any comments received raising significant environmental issues as necessary, to present to the Board for approval along with the final regulation.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to determine if additional conforming modifications to the regulation are appropriate. If no additional modifications are appropriate, the Executive Officer shall take final action to adopt the regulation, as set forth in Attachment A. If the Executive Officer determines that additional conforming modifications are appropriate, the modified regulatory language shall be made available for public comment, with any additional supporting documents and information. The Executive Officer shall 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. The Executive Officer may present

the regulation to the Board for further consideration if warranted, and if not, the Executive Officer shall take final action to adopt the regulation after addressing all appropriate conforming modifications.

I hereby certify that the above is a true and correct copy of Resolution 18-25 as adopted by the Air Resources Board.

Rana McReynolds, Clerk of the Board

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July 26, 2018

Identification of Attachments to the Board Resolution

Attachment A: Proposed Amendments to the Regulation for the Enhanced Fleet Modernization Program, California Code of Regulations, title 13, sections 2620, 2621, 2622, 2623, 2624, 2626, 2627, 2629 and 2630 (renumber to section 2629.5); and adoption of Clean Cars 4 All, California Code of Regulations, title 13, sections 2622.5, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, and 2639.5, as set forth in Appendix A to the Initial Statement of Reasons, released June 5, 2018.