

TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE CURRENT REGULATIONS FOR LARGE SPARK-IGNITION ENGINES WITH AN ENGINE DISPLACEMENT LESS THAN OR EQUAL TO ONE LITER

The Air Resources Board (the Board or ARB) will conduct a public hearing at the time and place noted below to consider adoption of amendments to the California regulations for large spark-ignition (LSI) engines with engine displacements less than or equal to one liter (≤ 1.0 L).

DATE: November 20, 2008

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium, Second Floor
1001 "I" Street
Sacramento, CA 95814

This item will be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., November 20, 2008, and may continue at 8:30 a.m., November 21, 2008. This item may not be considered until November 21, 2008. Please consult the agenda for the meeting, which will be available at least 10 days before November 20, 2008, to determine the day on which this item will be considered.

For individuals with sensory disabilities, this document and other related material can be made available in Braille, large print, audiocassette or computer disk. For assistance, please contact ARB's Reasonable Accommodations/Disability Coordinator at 916-323-4916 by voice or through the California Relay Services at 711, to place your request for disability services, or go to <http://www.arb.ca.gov/html/ada/ada.htm>

If you are a person with limited English and would like to request interpreter services to be available at the Board meeting, please contact ARB's Bilingual Manager at 916-323-7053.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

Sections Affected: Proposed amendments to section 2433, chapter 9, article 4.5, title 13, California Code of Regulations (CCR), and proposed amendments to the incorporated "California Exhaust and Evaporative Emission Standards and Test Procedures For New 2010 and Later Off-Road Large Spark-Ignition Engines," as adopted March 2, 2007.

Background: Health and Safety Code sections 43013 and 43018 direct ARB to achieve the maximum feasible and cost-effective emission reductions from all mobile source categories, including LSI engines, through the setting of emission standards and other requirements.

In 1998, the Board adopted regulations for LSI engines and equipment, including provisions for exhaust emission standards and test procedures, labeling requirements, warranty, in-use compliance testing, and production line testing. New LSI engines above 19 kilowatts (kW) which power off-road equipment must be certified under the CCR, title 13, chapter 9, sections 2430 through 2439, which incorporates two sets of emission standards based on engine displacement.

For the larger displacement engines, those greater than one liter in size (> 1.0 L), the emission control requirement began with the 2001 model year (MY). This engine size category is almost exclusively made up of automotive-derived engines which are readily adapted to use existing automotive controls. The smaller displacement engines, LSI engines ≤ 1.0 L, are typically used in such applications as portable generators (about 40%), large turf care equipment (about 30%), and industrial equipment (about 30%). At the time of the initial rulemaking for these engines in 1998, industry argued that the engines were more similar to a different category of off-road engines known as “small off-road engines” than to the LSI engines > 1.0 L and therefore it would be more appropriate that they be required to meet the small off-road engine emission standards. The Board agreed and approved emission standards equivalent to those for the small off-road engines. Later, in 2003, the Board approved more stringent emission standards for the small off-road engines, but no consideration was given at time to align the LSI and small off-road engine emission standards. Thus, the LSI engines ≤ 1.0 L remained subject to the less stringent emission standards adopted in 1998.

In May of 2006, the Board approved a 0.8 g/kW-hr of HC+NO_x emission standard for the LSI engines > 1.0 L category. LSI engines ≤ 1.0 L were not affected by this emission standard change and, again, remained subject to the emission standards adopted in 1998.

Description of the Proposed Regulatory Action:

Staff proposes a new set of exhaust emission standards for new LSI engines ≤ 1.0 L. These emission standards are both technologically feasible and cost-effective. The proposed exhaust emissions standards are presented in the table below, as are the existing emission standards for comparative purposes.

Proposed Emission Standards for LSI Engines ≤ 1.0 L

Model Year	Engine Displacement	Durability Period	HC+NO _x (g/kW-hr)	CO (g/kW-hr)
2002 – 2010 (current requirement)	≤ 1.0 L	1,000 hours or 2 years	12.0	549
2011 and subsequent	≤ 825 cc	1,000 hours or 2 years	8.0	549
2011 - 2014	> 825 cc - ≤ 1.0 L	1,000 hours or 2 years	6.5	375
2015 and subsequent	> 825 cc - ≤ 1.0 L	1,000 hours or 2 years	0.8	20.6

Staff also proposes that LSI engines ≤ 1.0 L meet the same evaporative emission requirements applicable to small off-road engine equipment starting in 2011. Currently, evaporative emissions from this equipment are uncontrolled.

Additionally, staff proposes that LSI engines used in vehicles which are substantially similar to off-highway recreational vehicles would be required to meet the proposed LSI engine emission standards but would demonstrate compliance using the off-highway recreational vehicle test procedures. Specifically, LSI engines used in vehicles that meet the “Off-Road Sport Vehicle,” or “Off-Road Utility Vehicle” definitions (except for payload capacity) in CCR, title 13, section 2411, would be subject to the proposed LSI engines ≤ 1.0 L emission standards beginning in 2011.

A more detailed description of staff’s proposal is included in the Staff Report: Initial Statement of Reasons for Rulemaking to Consider Amendments to the Current Regulations for Large Spark-Ignition Engines with an Engine Displacement Less Than or Equal to One Liter.

COMPARABLE FEDERAL REGULATIONS

LSI engines are regulated federally under title 40, CFR, part 1048, which is generally harmonized with the California emission standards until 2010, when more stringent California standards go into effect for LSI engines > 1.0 L.

The U.S. EPA program requires manufacturers of LSI engines ≤ 1.0 L to certify their engines under the nonroad spark-ignition regulation, which is the federal equivalent of ARB’s small off-road engine regulation, with a 30 kW cap. U.S. EPA’s Phase 3 standards are less stringent than the proposal’s exhaust emissions standards and evaporative emission standards.

The proposed regulations are expected to reduce emissions from ozone precursors in a cost-effective manner, beyond what would be accomplished by the existing federal regulations. Thus, the cost of the separate California program is justified by the benefit to human health, public welfare, and the environment. In addition, Health and Safety Code sections 43013 and 43018 authorize the differences from the federal program.

BENEFITS OF THE PROPOSAL

The intent of the proposed regulations is to reduce emissions from LSI engines ≤ 1.0 L and equipment utilizing technologies that are technologically feasible and cost-effective. By 2020, the proposal would reduce approximately 4.5 tons per day of reactive organic gases plus oxides of nitrogen (ROG+NO_x) at an estimated cost, which varies by equipment type, of approximately \$0.01 to \$7.16 per pound of ROG+NO_x emissions reduced.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

The Board staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: "Staff Report: Initial Statement of Reasons for Rulemaking, Public Hearing to Consider Amendments to the Current Regulations for Large Spark-Ignition Engines with an Engine Displacement Less Than or Equal to One Liter."

Copies of the ISOR and the full text of the proposed regulatory language, in underline and ~~strikeout~~ format to allow for comparison with the existing regulations, may be accessed on the ARB's web site listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, CA 95814, (916) 322-2990 at least 45 days prior to the scheduled hearing on November 20, 2008.

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on the ARB's web site listed below.

Inquiries concerning the substance of the proposed regulation may be directed to the designated agency contact persons, Mr. Scott Rowland, at (626) 575-6676 or srowland@arb.ca.gov, or Mr. Hung-Li Chang, at (626) 575-6683 or hchang@arb.ca.gov.

Further, the agency representative and designated back-up contact persons to whom nonsubstantive inquiries, concerning the proposed administrative action, may be directed are Ms. Lori Andreoni, Board Administration & Regulatory Coordination Unit, (916) 322-4011, or Ms. Amy Whiting, Regulations Coordinator, (916) 322-6533.

The Board has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on the ARB Internet site for this rulemaking at www.arb.ca.gov/regact/2008/lsi2008/lsi2008.htm

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulations are presented below.

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would not create costs or savings to any state agency or in federal funding to the state, costs or mandate to any local agency or school district whether or not reimbursable by the state pursuant to part 7 (commencing with section 17500), division 4, title 2 of the Government Code, or other nondiscretionary cost or savings to state or local agencies. The ARB may incur additional implementation or enforcement costs at some future time.

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses. ARB is not aware of any cost impacts that a representative person would necessarily incur in his or her private capacity in reasonable compliance with the proposed action. Manufacturers of LSI typically pass some of the cost of compliance on to their customers. Accordingly, ARB anticipates that affected businesses would similarly pass on some of the costs incurred by this regulation. As a result, staff anticipates a representative individual may incur small additional costs (as discussed in the Initial Statement of Reasons) because of a possible increase in manufacturing costs.

Further, ARB staff has estimated possible costs of compliance for affected businesses in the Initial Statement of Reasons. These estimates, and the bases for them, are also discussed in the Initial Statement of Reasons.

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

In accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action would not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

The Executive Officer has also determined, pursuant to title 1, CCR, section 4, that the proposed regulatory action would have some impact, although not significant, on small businesses that buy and sell large turf care equipment, portable generators, and industrial equipment. During the initial years of implementation, the increased cost of equipment may lead to a slight drop in demand that could result in lower profits for small businesses.

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the regulation which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board or that has otherwise been identified and brought to the attention of the Board would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

SUBMITTAL OF COMMENTS

Interested members of the public may also present comments orally or in writing at the meeting, and in writing or by e-mail before the meeting. To be considered by the Board, written comments submissions not physically submitted at the meeting must be received **no later than 12:00 noon, November 19, 2008**, and addressed to the following:

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

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

Facsimile submittal: (916) 322-3928

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral 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. Additionally, this information may become available via Google, Yahoo, and any other search engines.

The Board requests but does not require that 30 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

STATUTORY AUTHORITY AND REFERENCES

This regulatory action is proposed under that authority granted in Health and Safety Code, sections 39600, 39601, 43013, 43018, 43101, 43102, and 43104. This action is proposed to implement, interpret and make specific sections 43013, 43017, 43018, 43101, 43102, 43104, 43105, 43150-43154, 43205.5, and 43210-43212.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non-substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action; in such event the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from the ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, CA 95814, (916) 322-2990.

CALIFORNIA AIR RESOURCES BOARD

/s/

James N. Goldstene
Executive Officer

Date: September 23, 2008

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 our Web –site at www.arb.ca.gov.