CALIFORNIA AIR RESOURCES BOARD

NOTICE OF COMMENT PERIOD AND PUBLIC MEETING TO CONSIDER THE ADVANCED CLEAN CARS MIDTERM REVIEW

The Air Resources Board (ARB or Board) is making available for public comment its report on the Advanced Clean Cars (ACC) Midterm Review and recommendations for the three elements of the ACC program: low-emission vehicle III (LEV III) greenhouse gas (GHG) regulations, LEV III criteria pollutant regulations, and zero-emission vehicle (ZEV) regulation. This Review provides staff's assessment of the appropriateness of the 2022 through 2025 model year light-duty and medium-duty passenger vehicle GHG emission standards, the feasibility and timing of the 1 milligram per mile (mg/mi) particulate matter (PM) standard for light-duty vehicles under the LEV III regulation, and the ZEV technology trends and appropriateness of the ZEV regulation. Staff will propose recommendations to the Board for consideration. Any regulatory changes will be developed in a public process and proposed at a later date. Information on obtaining a copy of this report and providing comments is provided below.

Following the comment period, the Board will conduct a public meeting at the time and place noted below for staff of the Board to describe its ACC Midterm Review and recommendations, and obtain direction from the Board on future actions to develop and propose to the Board.

DATE:

March 23, 2017

TIME:

9:00 a.m.

LOCATION:

County of Riverside

County Administrative Center 1st Floor Board Chambers

4080 Lemon Street, Riverside, CA

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., March 23, 2017, and may continue at 8:30 a.m. on March 24, 2017. Please consult the agenda for the meeting, which will be available at least 10 days before March 23, 2017, to determine the day on which this item will be considered.

Background

In January 2012, ARB approved the innovative ACC program that established the next generation LEV III criteria pollutant emission standards for light- and medium-duty vehicles and LEV III GHG standards for light-duty vehicles and medium-duty passenger vehicles and increased ZEV requirements through the 2025 model year. This program was developed in coordination with the United States Environmental Protection Agency (U.S. EPA) and the National Highway Traffic Safety Administration (NHTSA). The ACC program combined the control of smog-causing pollutants and GHG emissions into a single set of LEV III requirements, the GHG portion of which is coordinated nationwide, for model years 2017 through 2025. This assured the development of environmentally superior vehicles that will

continue to deliver the performance, utility, and safety vehicle owners have come to expect all while saving the consumer money through fuel savings. The Board subsequently approved minor amendments to the ACC program in November 2012, and U.S. EPA granted a waiver of preemption in January 2013.

In adopting the ACC program, the Board committed to conduct a comprehensive midterm review of specific elements of both the LEV III and ZEV regulations. Specifically, the Board directed staff¹ to include the following items in ARB's midterm review:

2022 through 2025 Model Year Passenger Vehicle GHG Standards:

The Board directed staff to participate in U.S. EPA and NHTSA's federal midterm evaluation of the 2022 through 2025 model year passenger vehicle GHG standards, which will evaluate the appropriateness of the standards and whether they should be affirmed or made more or less stringent. The first key milestone of this review, reached in July 2016, was the release for public comment of the Draft Joint Technical Assessment Report, authored jointly by ARB, U.S. EPA, and NHTSA. This Report updated the technical assessment that was used to develop the 2022 through 2025 model year GHG standards.²

The Board directed staff to continue collaborating with U.S. EPA and NHTSA as they finalized their 2017 – 2025 model year standards, and in the federal midterm evaluation of the 2022 – 2025 model year standards, to minimize lost benefits from how the federal standards accounted for upstream emissions of alternative fuel production for electricity- and hydrogen-fueled vehicles.

The Board also directed staff to monitor consumer purchasing trends and California's fleet mix to evaluate any effects on emissions from shifts in vehicle footprint size and the re-classification of cars as trucks, as compared to the fleet size and category mix projections that were part of the basis of the approved amendments. The Board directed staff to report back to the Board regarding any such effects on emissions, and to address any such effects in its recommendation following the midterm review.

1 mg/mi PM Standard:

The Board also directed staff to re-examine the stringency and timing of the adopted 1 mg/mi PM standard that begins to phase-in with the 2025 model year, including whether the standard should be applied to earlier model years. This effort came to include an assessment of laboratory measurement capability for sub-1 mg/mi PM levels (presented to the Board in October 2015) and an evaluation of the 1 mg/mi PM tailpipe standard beginning in the 2025 model year (to be presented to the Board at this meeting).

¹ See State of California, Air Resources Board, Resolution 12-11. January 26, 2012. Agenda Item No.: 12-1-2. Advanced Clean Cars Regulation Package. http://www.arb.ca.gov/regact/2012/cfo2012/res12-11.pdf

² U.S. EPA, NHTSA, ARB. July 2016. *Draft Technical Assessment Report: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025*. https://www3.epa.gov/otaq/climate/documents/mte/420d16900.pdf

ZEV Regulation:

The Board directed staff to monitor consumer acceptance of transitional zero-emission vehicles (TZEV) and report back on the TZEV volumes expected in the ZEV regulation.

The Board directed staff to report back with in-use data for range-extended battery electric vehicles and plug-in hybrid electric vehicles (PHEVs) and propose appropriate modifications as needed.

• Other Elements of the ZEV Program Covered by the Midterm Review:

In addition to following the direction from the Board in Resolution 12-11, staff will provide an update on the ZEV market, ZEV technology, and evaluate the effectiveness of the ZEV regulation as adopted in 2012, both in California and in the other states that have adopted California's ZEV regulation.

Finally, at the July 2016 hearing, the Board directed the Executive Officer to examine the issue of current automaker ZEV credit banks for the regulation, crediting of ZEVs and PHEVs within the regulation, and how to ensure that the market is being developed in the appropriate timeframe to meet our long-term air quality and GHG emission reduction requirements and to report back to them as part of the midterm review.

In responding to the Board's directions noted above, ARB staff will present the findings of the Technical Support Document for California's Advanced Clean Cars Midterm Term Review at the meeting. Staff will provide recommendations to the Board on all three elements of the ACC program: the LEV III GHG regulations, the LEV III criteria pollutant regulations, and the ZEV regulation.

Copies of the Staff Report will be available **January 18, 2017**, and may be obtained from ARB's website at https://www.arb.ca.gov/msprog/acc/acc-mtr.htm. The public may also request a printed copy of the report from Shobna Sahni, at (626) 450-6104.

Interested members of the public may present comments orally or in writing at the meeting and may provide comments by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not physically submitted at the meeting must be received <u>no later than 5:00 pm, March 20, 2017</u>, 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

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.

Further inquiries regarding this matter should be directed to Anna Wong. Staff Air Pollution Specialist, at (916) 323-2410, Sarah Carter, Staff Air Pollution Specialist, at (626) 575-6845.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the meeting;
- Documents made available in an alternate format or another language:
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board meeting. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma;
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envié un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

CALIFORNIA AIR RESOURCES BOARD

Richard W. Corey

Executive Officer

Date: January 18, 2017

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 website at www.arb.ca.gov.