

**REPORT:**

California Air Resources Board

**SYNOPSIS:**

The California Air Resources Board met on October 23 and 24, 2014 in Diamond Bar. The following is a summary of this meeting.

**RECOMMENDED ACTION:**

Receive and File.

Judy Mitchell, SCAQMD Board Member

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The Air Resources Board's (ARB or Board) October meeting was held on October 23 and 24 in Diamond Bar at the South Coast Air Quality Management District Building. Key items presented are summarized below.

**1. Update to the Board on the Advanced Clean Cars Program Midterm Review**

The Board heard an update on the status of the ongoing Advanced Clean Cars (ACC) Program Midterm Review, a three-part review program that includes an evaluation of particulate matter (PM) measurement capabilities, an investigation of the Zero Emission Vehicle (ZEV) market status, and a joint evaluation of greenhouse gas emission reductions together with U.S. Environmental Protection Agency (U.S. EPA), the National Highway Transportation Safety Administration (NHTSA), and the U.S. Department of Energy (DOE). Staff will finish their evaluation of PM measurement capabilities next year, but reported that progress to date strongly suggests that existing measurement technologies will be able to accommodate the requirements of the ACC regulation. Staff reported that ZEV sales trends are exceeding benchmarks of the estimated regulatory compliance schedule. The joint greenhouse gas emissions reductions review with U.S. EPA, NHTSA, and DOE continues to investigate vehicle technology, costs, safety, and consumer response, and is on track to provide a full evaluation in 2016.

**2. Amendments to the Low Emission Vehicle III Requirements for Light-and Medium-Duty Vehicles and the Hybrid Electric Vehicle Test Procedures**

The Board approved technical changes to the Low Emission Vehicle III (LEV III) regulation that align program requirements with U.S. EPA Tier 3 light-duty vehicle regulation. These changes streamline requirements for the manufacturers to meet both standards while continuing to maintain the air quality benefits of the LEV III program in California. Key differences do remain between the LEV III and U.S. EPA Tier 3 programs including a more stringent PM emission standard for the LEV III program beginning in model year 2025, and a shorter credit life for emission trading credits.

### **3. Zero Emission Vehicle Showcase**

The ZEV showcase was a display of a wide variety of ZEVs, including passenger cars, motorcycles, buses and heavy-duty trucks, plus a first look at several not-yet-available models. Board members joined with representatives of eight other states who have signed the ZEV Memorandum of Understanding to hold a press conference highlighting a significant ZEV milestone—250,000 ZEVs on the roads in the U.S.—and to update the press on ZEV activities in partner states.

### **4. Public Meeting on the Plug In Vehicle Infrastructure Evaluation**

The Board heard an update on ARB staff's ongoing evaluation of plug in vehicle infrastructure in California. The evaluation has involved extensive stakeholder collaboration and is examining the availability of public charging stations and how consumers are interacting with them. California currently has more than 4,500 public charging stations, with the majority located in South Coast and the Bay Area. Challenges identified in the evaluation so far include establishing charging solutions and effective business models for multi-unit dwellings, workplaces, and interregional connections, and supporting infrastructure in underserved areas. ARB staff will present the final evaluation to the Board in 2015.

### **5. Public Hearing to Consider 2014 Amendments to the Zero Emission Vehicle Regulation**

The Board discussed amendments to the ZEV regulation without taking action. 2012 amendments to the regulation changed the way vehicle manufacturers were classified, and required manufacturers formerly classified as Intermediate Volume Manufacturers (IVM), (total sales in California between 20,000-60,000 vehicles annually), to transition to the requirements for Large Volume Manufacturers (LVM) (total California sales of more than 60,000 vehicles per year). The amendments under current consideration would change the classification criteria to consider global revenue in addition to California vehicle sales. The amendments would allow IVMs more time to comply with LVM requirements and include other provisions to allow compliance flexibility. The Board directed staff to make revisions to staff's proposed amendments to minimize the loss of zero emission vehicles delivered. The Board will consider the revised amendments at a future meeting. The Board also directed staff to develop amendments and sunset one of the ZEV credit-earning mechanisms, the battery swap provision, as soon as possible.

As part of the item the Board heard an update from representatives from partner states on progress in implementing the Multi-State ZEV Action Plan. The Action Plan was developed earlier this year to help realize the goals of the Multi-State ZEV Memorandum of Understanding. Partner states reported good progress in implementing the Action Plan, but stressed the importance of manufacturers providing additional vehicle choices in their states.

## **6. CoolCalifornia City Challenge Awards**

The Board awarded the city of Riverside the title of “Coolest California City” in the 2014 CoolCalifornia City Challenge. The annual Challenge creates a city-to-city competition that encourages city governments and community-based organizations to work together toward household greenhouse gas reductions. Second place in the 2014 challenge was awarded to the city of Claremont and third place to the city of Rancho Cucamonga. Other participating cities from the South Coast AQMD region included the cities of Corona, Long Beach, Lynwood and Mission Viejo.

## **7. Update to the Board on California’s Heavy-Duty Truck Program: Past, Present, and Future**

The Board heard an update on California’s Heavy-Duty Truck Program, including findings from a staff evaluation of ARB’s existing program and an update on ARB’s collaboration with U.S. EPA and NHTSA on the federal Phase 2 Heavy-Duty Truck Standards.

The staff evaluation demonstrated that aftermarket diesel particulate filters are working as designed, but that engine durability is a concern. The evaluation also identified opportunities for improvement of in-use NOx control. U.S. EPA plans to issue a notice of proposed rulemaking for the federal Phase 2 standards in early 2015 that will target further improvement in fuel economy and reductions in greenhouse gas emissions in model years 2018 and beyond ARB will consider a complement rule in 2016.

## **8. Public Meeting to Consider a Report on Reductions Achieved from Incentive-Based Emission Reduction Measures in the San Joaquin Valley**

The Board approved a report documenting emissions reductions achieved through incentive-based measures in the San Joaquin Valley. The report demonstrates how emissions reductions from the Carl Moyer and Proposition 1B incentive programs meet U.S. EPA criteria for credit toward reductions required to meet federal clean air standards. The report will be submitted to U.S. EPA as a revision to the California State Implementation Plan.

## **9. Briefing on Process for Updating Senate Bill 375 Greenhouse Gas Emission Reduction Targets**

The Board heard a briefing on the proposed methodology and timeline for updating the greenhouse gas emissions reductions targets under Senate Bill 375. The Staff presentation emphasized the importance of implementing the currently adopted Regional Transportation Plan / Sustainable Communities Strategies Plans (RTP/SCSs) and the limited availability of funding for this purpose. A timeline was presented for updating targets for all 18 Metropolitan Planning Organizations (MPOs). For the Southern California Association of Governments (SCAG) region, ARB staff will work with them as it develops alternative planning scenarios, and use these scenarios to help inform the target-setting process for the SCAG region. The Board will consider adopting updated targets for SCAG in late 2015, and the updated targets will apply to SCAG’s 2020 RTP/SCS. The ARB staff will follow the same process to update

targets for the other large MPOs due in 2015. As part of their deliberations the Board members discussed the importance of strategic investment of Cap-and-Trade revenues to implement adopted RTP/SCSs.

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Consent Items

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**1. Public Meeting to Consider Minor Updates to 1997 8-Hour Ozone Standard State Implementation Plans: Coachella Valley and Western Mojave Desert Ozone Nonattainment Areas**

The Board approved minor updates to the 1997 8-hour Ozone Standard State Implementation Plan for the Coachella Valley and Western Mojave Desert Nonattainment areas. The updates incorporate revised emission inventories that account for the implementation of recently-adopted rules, the effects of the recession, and updated transportation activity. The updates will be submitted to U.S. EPA as a revision to the California State Implementation Plan.

**2. Public Meeting to Consider the Supplemental Document for the San Joaquin Valley 24-hour PM2.5 State Implementation Plan**

The Board approved a demonstration that all of the elements in the existing 2012 San Joaquin Valley 24-hour PM2.5 State Implementation Plan meet the requirements under subpart 4 of the federal Clean Air Act. The Board also approved a San Joaquin Valley Air Pollution Control District request for classification as a serious nonattainment area, consistent with the attainment demonstration in the State Implementation Plan. These items will be submitted to U.S. EPA as a revision to the California State Implementation Plan.