



2019 Annual Enforcement Report



June 25, 2020

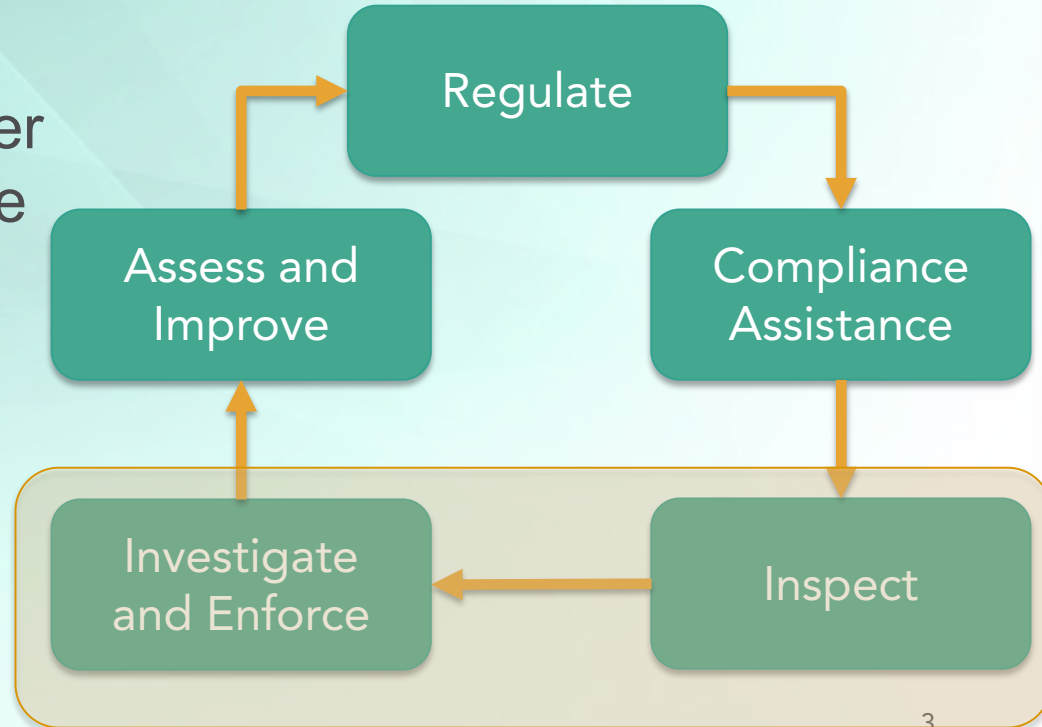
ROLE OF ENFORCEMENT IN CALIFORNIA

- California's goal is to clean the air and protect the climate
- CARB regulations focus on
 - Attaining air quality standards
 - Protecting disadvantaged communities
 - Reducing greenhouse gas emissions
- Companies across California invest to meet requirements

Enforcement focuses on ensuring compliance

HOW DO WE ENSURE COMPLIANCE?

- Best programs use all of these approaches together to achieve comprehensive compliance
- Traditional enforcement relies on deterrence



PRESENTATION OUTLINE

- Enforcement Updates
 - Diesel Vehicles and Equipment
 - Ocean-Going Vessels
 - Product Certification Requirements
- Program Updates
 - Transparency
 - Supplemental Environmental Projects
 - Environmental Justice
 - Stationary Review and Enforcement

TRUCK AND BUS RULE

- Has become an example of compliance based approach across CARB
 - Extensive compliance assistance and awareness
 - Use of data to identify and assess compliance
 - Streamlined truck enforcement
 - Compliance demonstration required prior to truck registration in California.

STREAMLINED TRUCK ENFORCEMENT

- Two-year enforcement program
 - 23,673 registration holds placed
 - \$5,239,578 in penalties collected
- CA registered heavy truck compliance rate increased from 77% to 88%
- Non-compliant trucks are no longer eligible for registration in California

OUT-OF-STATE TRUCKS

- Compliance rate similar for CA registered and trucks registered in other States
 - Lowest compliance rates in smallest fleets
- Staff inspections have a focus on weigh stations and border crossings
- Referrals to EPA resulted in 6 settlements resulting in \$588,000 in penalties

EXPANDING ENFORCEMENT TECHNOLOGY

- Development of CARB's Portable Emissions Acquisition System (PEAQs)
 - Automated license plate reader
 - Emissions measurements
 - Stationary and portable configurations
- First autonomous system installed in southern California
 - 10,000 heavy-duty diesel vehicles screened per month
- Building new enforcement procedures to leverage this technology



DIESEL EQUIPMENT ENFORCEMENT

- Transport Refrigeration Unit (TRU) Enforcement
 - Inspected approximately 2,000 units
 - Issued more than 900 citations
 - Program development moving forward
- In-Use Off Road Diesel Enforcement
 - Inspected approximately 4,300 units
 - Issued more than 450 citations
 - Complaint based enforcement



OCEAN-GOING VESSELS

- Two Regulations:
 - Ocean-Going Vessel Fuel Sulfur Regulation
 - High compliance rates
 - At-Berth (Shorepower) Regulation
 - Achieving goals and compliance rates improving

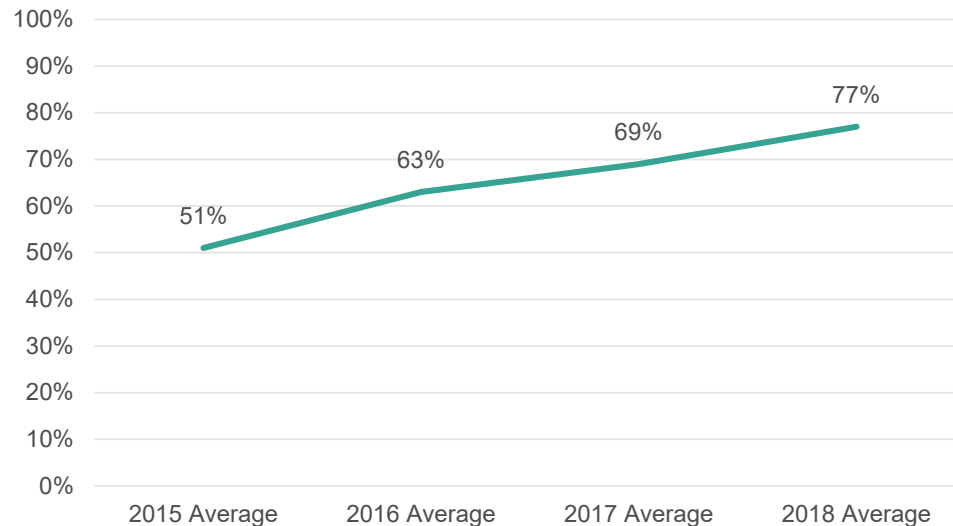
OCEAN-GOING VESSEL FUEL REQUIREMENTS

- Must use low sulfur distillate fuel within 24 NM of shore
- Sulfur limit compliance rate estimated at 99%
 - 6 NOVs issued; \$172,500 in penalties assessed
- Evolving federal requirements introduce uncertainty
- Staff pursuing new enforcement technologies
 - Drones for remote compliance assessment
 - Analysis to distinguish low sulfur heavy fuel oil and distillate

AT-BERTH (SHOREPOWER) REQUIREMENTS

- Reporting every year in March
- In 2019, audited 38 fleets (3,900 visits)
- Industry achieved a 77% reduction in diesel engine use
 - Exceeded 70% reduction requirement for 2018

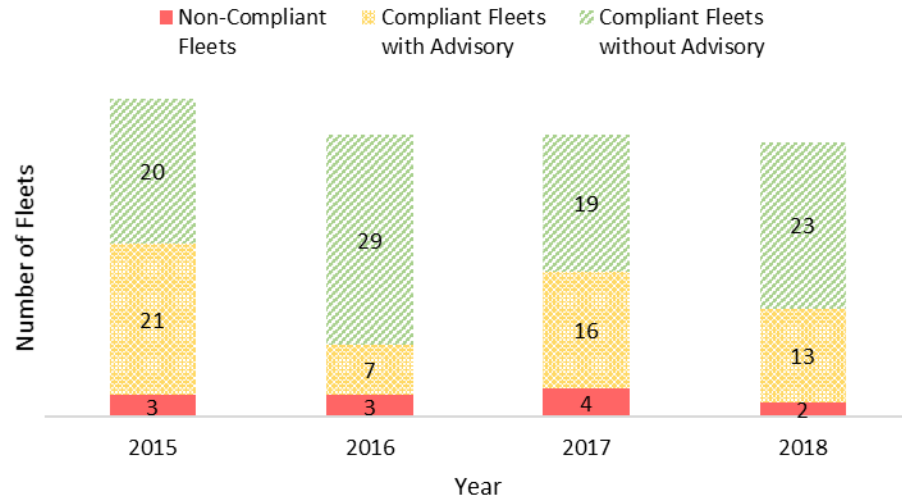
Percent MWh Reduced Under the At-Berth Regulation 2015 - 2018



SHOREPOWER ENFORCEMENT

- In 2018
 - 2 fleets did not meet requirements and are under investigation
 - 13 fleets relied on CARB advisory to comply
- 2019 audits underway

Distribution of Statewide At-Berth Compliance Status for Power Reduction Requirement



RESOLVING AT-BERTH NON-COMPLIANCE

- Staff settled two cases in 2019
- Both fleets made unsuccessful or insufficient investments resulting in failure to comply
- Both fleets now in compliance
- Penalty structure increased with violations, and with multiple years in violation

ENFORCING CERTIFICATION REQUIREMENTS

- CARB regulations establish product requirements
 - Chemical formulation
 - Emission control requirements
- Deterrence based enforcement for mature programs
- Requirements apply to
 - Consumer products, composite wood products
 - Vehicles, engines, and aftermarket parts
 - Fuels

PROTECTING CONSUMERS

- Staff inspect and test consumer products
- Penalties assessed for non-compliant products
- Notable cases
 - WM Barr – 81.7 excess tons VOC - \$600,000
 - CY Flooring – excess formaldehyde emissions - \$67,000
 - Molekule – ozone emissions from air cleaner - \$149,000

ENFORCING ENGINE REQUIREMENTS

- Engines that fail certification release excess emissions
- Notable cases
 - Kohler – voluntarily disclosed illegal software; \$6M penalty
 - \$1.8M project providing solar-powered battery back-up generators for low income consumers
 - Fiat Powertrain – incorrect reporting and undisclosed product modifications; \$6.4M penalty
 - \$2M SEP pays for school filtration projects



ENFORCING VEHICLE REQUIREMENTS

- Vehicles must be certified
- Notable cases
 - Winnebago – sold 115 uncertified RVs; \$269,000
 - Sun Buggy – operated 11 uncertified sand cars; \$55,000



AFTER-MARKET PARTS ENFORCEMENT

- Vehicles and engines cannot be modified with uncertified parts
- CARB enforces against all points of supply chain
- Notable cases
 - CNS Motors - \$154,300
 - TPS Motorsports - \$11,750



FUELS ENFORCEMENT

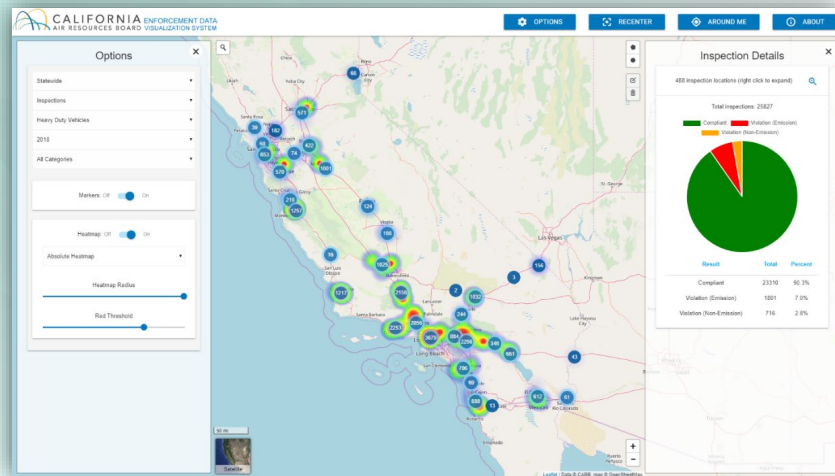
- Fuels must meet specifications to promote clean-burning, low ozone formation and lower carbon content
- Notable cases
 - Phillips 66 - 8 violations; \$150,000
 - Tesoro - 7 violations in 2017; \$133,000
7 violations in 2018; \$119,000
 - Clean Energy - misreported carbon intensity in LCFS pathway over 5 years
 - Agreed to incentivize 20 low NOx RNG trucks and pay a \$100,000 penalty

OUTLINE

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COMMITMENT TO TRANSPARENCY

- Enforcement policy updated through public process
 - Process for updating maximum penalties
 - Process for enforcing Renewable Portfolio Standard
- Updated Enforcement Data Visualization System
<https://webmaps.arb.ca.gov/edvs/>
- Updated range of penalties assessed by program in enforcement report

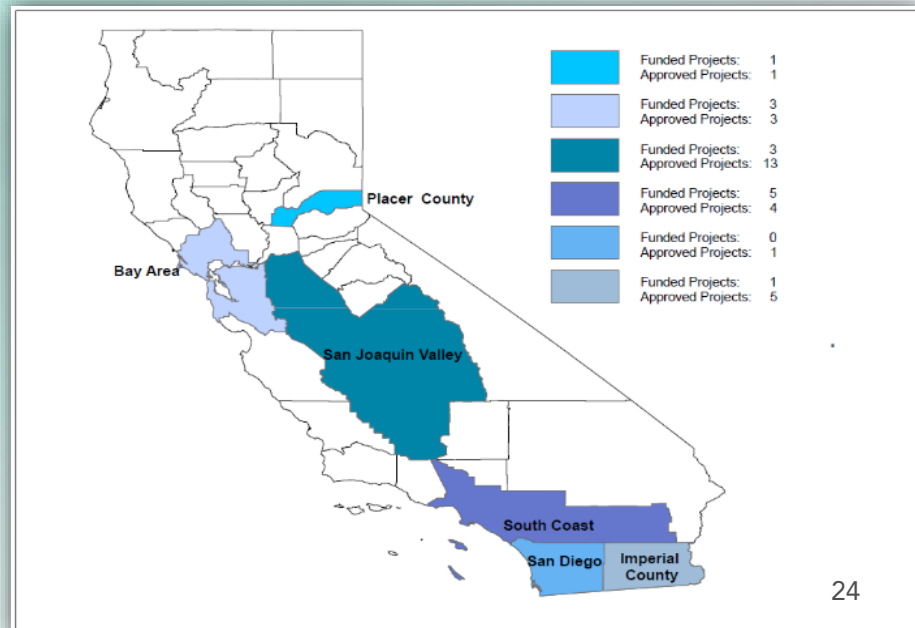


SUPPLEMENTAL ENVIRONMENTAL PROJECTS

- SEPs targeted at helping to mitigate environmental injustice
- CARB program focuses on community proposed, supported programs
 - Applicants submit projects
 - CARB reviews and approves projects for listing
 - Violators select projects for funding

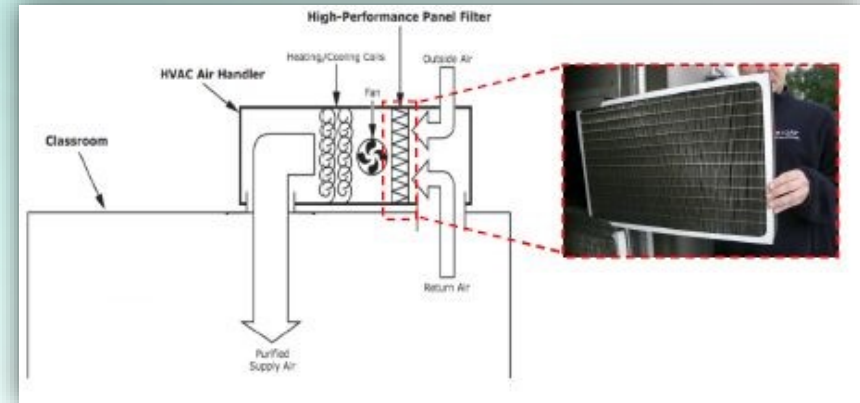
SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEP)

- In 2019, CARB **approved** 26 projects eligible for funding and violators **funded** 18 projects with \$6M in penalties.
- Notable SEPs
 - School filtration projects
 - Kids Making Sense



SCHOOL FILTRATION PROJECTS

- 70 schools funded since SEP program started in 2017
- HEPA filtration systems installed in air ducts or stand alone systems
- Proven to reduce indoor particulate concentrations in schools up to 90%



PURSuing ENVIRONMENTAL JUSTICE

- More than 60% of total inspections in or benefitting disadvantaged communities
- Developed enforcement plans with districts as part of the Community Emission Reduction Plan
- Participated in CalEPA enforcement initiative in Stockton
 - Inspections and enforcement
 - Air monitoring coordination
- Work to address odors in Vallejo & Oakland

EQUIPMENT REGISTRATION PROGRAMS

- Enforcement registration programs are revenue neutral
 - Cargo tanks and portable equipment
- Initiated development of compliance assistance program for gasoline cargo tanks
- Implemented compliance deadlines for portable equipment
- Coordinated public safety power shutoffs



PUBLIC SAFETY POWER SHUTOFFS (PSPS)

- To mitigate wildfires, utilities curtail power
- Results in operation of emergency generators
- Emissions equivalent to 29,000 heavy-duty trucks for a month
- CARB issued guidance and enforcement advisories on legal backup generation
- Working to encourage use of cleaner technologies
- Information at: <https://ww2.arb.ca.gov/our-work/programs/emergency-backup-generators>

STATIONARY SOURCE PROGRAMS EVOLVING

- Program provides training
 - Visual emissions evaluation
 - Enforcement fundamentals, stationary sources and controls
- Expanding enforcement and tracking district enforcement of CARB requirements
- Review programs under development
 - Expanding reviews of district permitting and enforcement
 - Increasing requests for hearing board training
 - Working to improve response to community complaints

CONCLUSION

- CARB enforcement efforts were effective in 2019
 - 3,570 enforcement actions
 - \$24.4 million dollars in penalties assessed
 - 26,000 inspections – 60% in disadvantaged communities
 - 3,000 citations issued
 - Increased compliance rates in several programs
 - Inspection results and locations are publicly available
 - \$6M in penalties directed at projects benefitting disadvantaged communities
 - Stationary programs expanding and evolving

2019 ANNUAL ENFORCEMENT REPORT

Available online at:

<https://ww2.arb.ca.gov/resources/documents/enforcement-reports>

