Executive Officer Hearing on the Regulation for In-Use Off-Road Diesel Fueled Fleets

March 11, 2010
Sacramento, CA
California Environmental Protection Agency
Air Resources Board

Outline

- Hearing Purpose and Procedure
- Regulation Overview and Current Requirements
- AGC Petition and Response
- Information Requested
- Next Steps

Hearing Purpose and Procedure

Purpose:
- To receive input on the need for additional changes to the off-road regulation

Procedure:
- 9:00 a.m. – 9:20 a.m.: ARB presentation
- 9:20 a.m. – 10:20 a.m.: AGC presentation
- 10:20 a.m. – 10:30 a.m.: Break
- 10:30 a.m. until conclusion: Public comments
  - Commenters must sign up to testify

Regulation Overview

- Approved July 2007
- Intended to reduce emissions from existing off-road diesel vehicles
- Substantial emission and health benefits
  - 4,000 lives saved
  - Reduced localized exposure to diesel PM
- Critical element of SIP

www.arb.ca.gov/msprog/ordiesel/meetings.htm
Operational Requirements

- Reporting deadlines:
  - April 1-August 1, 2009, depending on fleet size
- Labeling
- Idling
- Sales disclosure

Emission Performance Requirements

- Restriction on adding Tier 0s
- By March 1, 2010, large fleets must:
  - Meet NOx fleet average target, or
  - Turn over 8% of fleet horsepower, and
  - Meet PM fleet average target, or
  - Retrofit 20% of fleet horsepower

NOx BACT: Replace, repower, retire, verified NOx retrofits, designate low use

PM BACT: All verified retrofits, and Tier 0 retirements

Numerous Credits Provide Significant Flexibility

- Early credits available:
  - Repowers
  - Retirement
  - Double credit for PM and NOx retrofits
- Other provisions:
  - Low use
  - NOx turnover exemption for retrofitted vehicles

Additional Flexibility Through AB 8 2X

- Signed by Governor in February, 2009
- Directed ARB to amend regulation to address impacts of recession:
  - More retirement credits
  - New reduced activity credits
  - Delay a portion of 2011-2012 requirements to 2013
- Board approved in July 2009
**AB 8 2X Credit**

- If operating hours or fleet size down >=20%  
  - Completely satisfies 2010 requirements
- If operating hours or fleet size down >= 32%  
  - Completely satisfies 2010 and 2011 requirements
- Example –  
  - Fleet downsized 50% since 2007
  - Reduced horsepower credit = 50% (never expires)
  - No PM requirements (retrofit) until 2013
  - No NOx requirements (turnover) until 2016

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**Updated Compliance Timeline**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2009</td>
<td>April: Large Fleet Reporting</td>
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<tr>
<td>2010</td>
<td>June: Medium Fleet Reporting</td>
</tr>
<tr>
<td>2011</td>
<td>August: Small Fleet Reporting</td>
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</tbody>
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- **Blue** = reporting deadlines
- **Red** = performance deadlines

**AB 8 2X**

- **March:** 1st Large Fleet Compliance Date: DELAYED For Most Per AB 8 2X
- **March:** 2nd Large Fleet Compliance Date: DELAYED For Most Per AB 8 2X
- **March:** 3rd Large Fleet Compliance Date: FIRST Actual Date for Most Large Fleets

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**AGC Petition**

- Filed on January 11, 2010
- Requested ARB:
  - Delay fleet average targets for 2 years
  - Withdraw request for authorization from U.S. EPA
- Reasons for petition:
  - CA construction industry devastated by recession
  - AB 8 2X amendments were insufficient
  - Emissions already reduced because of recession

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**ARB Response to AGC Petition**

- Issued February 11, 2010
- Enforcement delay
  - March 1, 2010 BACT and fleet average requirements
  - Adding vehicle restrictions
- EO hearing to evaluate if further regulation changes needed
- Update to Board in April 2010
**Information Requested Today**

Large fleets – with reg as amended by AB 8 2X:

- Could your fleet meet the March 1, 2010 compliance deadline?
  - Why or why not?
  - Cost to comply?
- Can your fleet meet the March 1, 2011 compliance deadline?
  - Why or why not?
  - Cost to comply?
- Have the AB 8 2X amendments provided sufficient credit for 2010 – 2011?
  - Why or why not?

**Information Requested Today, cont’d**

All commenters:

- What additional amendments are needed?
  - Over the next 2 years?
  - Longer term?
- Were early credits utilized?
  - What was the most helpful?
  - What other early credits are necessary?
- Impact of recession?
  - On your fleet?
  - On all fleets in State?

**How to Submit Comments**

- Submit comments until March 18, 2010
- Comments submitted today, or to Clerk of the Board are public
  - http://www.arb.ca.gov/lispub/comm/bclist.php
- Fleets can submit confidential comments
  - Mark them “CONFIDENTIAL”
  - Send confidential comments to:
    Off-road Diesel Vehicle Regulation Comments
    CONFIDENTIAL
    Floor 7, MSCD, HDDIUS Branch, ORIS
    California Air Resources Board
    P.O. Box 2815
    Sacramento, California 95812
  - Or fax to: (916) 323-5526

**Comprehensive Evaluation of Diesel Rules Underway**

- Current Emission Estimates for Truck and Off-road Rules
- April 22 Board Hearing
  - Summary of March 11, 2010 Hearing
  - Updated inventory and 2014 SIP status
  - Discuss possible off-road regulation revisions
- May-June Workshops
  - Amendments to Off-road and Truck and Bus rules
- August/September Board Hearing
  - Revisions to Truck and Bus and Off-road rules