

State of California
AIR RESOURCES BOARD

Resolution 01-19

June 28, 2001

Agenda Item No.: 01-5-1

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Air Resources Board (the Board or ARB) to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, in section 43000 of the Health and Safety Code, the Legislature has declared that the emission of air pollutants from motor vehicles is the primary cause of air pollution in many parts of the State, and sections 39002 and 39003 of the Health and Safety Code charge the Board with the responsibility of air pollution control from motor vehicles;

WHEREAS, sections 43013, 43101, and 43104 of the Health and Safety Code authorize the Board to adopt emission standards and test procedures to control air pollution caused by motor vehicles;

WHEREAS, section 43018(a) of the Health and Safety Code directs the Board to endeavor to achieve the maximum degree of emission reduction possible from vehicular and other mobile sources in order to accomplish the attainment of state ambient air quality standards at the earliest practicable date;

WHEREAS, section 43018(c) of the Health and Safety Code provides that in carrying out section 43018, the Board shall adopt standards and regulations that will result in the most cost-effective combination of control measures on all classes of motor vehicles and motor vehicle fuel, including but not limited to reductions in motor vehicle exhaust and evaporative emissions, and reductions in in-use vehicular emissions through durability and performance improvements;

WHEREAS, the California State Implementation Plan (SIP) for ozone, adopted by the Board in November 1994, establishes the state strategy for attaining the ambient air quality standard for ozone in all areas of the state by 2010 as required by federal law; this plan includes, as part of the mobile source element developed by the ARB, the California Low-Emission Vehicle (LEV) program, which was approved by the Board in 1990 to provide significant reductions of ozone precursor pollutant emissions from passenger cars and light-duty trucks;

WHEREAS, the California LEV program includes a zero-emission vehicle (ZEV) element – now contained in section 1962, title 13, California Code of Regulations and

the incorporated "California Exhaust Emission Standards and Test Procedures for 2003 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes" – under which at least 2 percent of the passenger cars and lightest light-duty trucks produced by a large or intermediate-volume manufacturer and delivered for sale in California must be ZEVs, beginning in model year 2003;

WHEREAS, large-volume manufacturers are permitted to satisfy up to 6 percent of the 10 percent ZEV requirement with larger numbers of partial ZEV allowance vehicles (PZEVs) reflecting near-zero emitting technologies, and intermediate volume manufacturers may meet the entire 10 percent obligation via that route; the ZEV regulation also includes a number of credit generation and trading components that provide significant flexibility in meeting the requirements;

WHEREAS, with respect to the environment, ZEVs are the "gold standard" for vehicular air pollution control as they reduce both criteria and toxic pollutant emissions to the maximum feasible extent; high-efficiency ZEVs and hybrid electric near-ZEVs also cut emissions of carbon dioxide and other greenhouse gases;

WHEREAS, at a January 25, 2001 hearing, the Board approved major amendments to the ZEV regulations that will significantly reduce the number of ZEVs required during the near term and will result in an increase in the number of ZEVs and advanced technology vehicles over time; the Board did not resolve all issues raised during the hearing – among other things, it directed staff to investigate joint ownership issues associated with the treatment of small and intermediate volume manufacturers, and issues regarding battery electric vehicle (EV) charger standardization;

WHEREAS, the staff has held workshops in March 2000 and February 2001 to solicit input from industry and interested stakeholders on strategies and approaches regarding treatment of majority owned small or intermediate volume manufacturers;

WHEREAS, the February 2001 workshop conducted by staff also solicited input from industry and interested stakeholders regarding the need for battery electric vehicle charging infrastructure standardization and the relative merits of the two dominant standards;

WHEREAS, staff initiated the formation of a working group to address the selection of a charging infrastructure architecture and connection standard and provide input to the selection process;

WHEREAS, in conjunction with a public hearing notice dated May 11, 2001, the staff has proposed a set of amendments to the zero emission vehicle regulation and related regulatory definitions; the initially proposed amendments to title 13, California Code of Regulations, sections 1900 and 1962, are set forth in Attachment A hereto and include the following primary elements:

Beginning in 2006, Battery Electric Vehicles must be equipped with an SAE J1772 conductive coupling inlet and an on-board charger capable of at least 3.3 kVA in order to earn ZEV credit of 1.0 or greater, and

Starting in the 2003 model year, the California sales of two or more manufacturers will be aggregated for purposes of the small and intermediate volume manufacturer requirements where one has a greater than 50 percent interest in the other, or both are greater than 50 percent owned by a third party;

WHEREAS, the California Environmental Quality Act and Board regulations require that no project which may have significant adverse environmental impacts be adopted as originally proposed if feasible alternatives or mitigation measures are available to reduce or eliminate such impacts;

WHEREAS, a public hearing and other administrative proceedings have been held in accordance with the provisions of chapter 3.5 (commencing with section 11340), part 1, division 3, title 2 of the Government Code; and

WHEREAS, the Board has considered the effect of the proposed amendments on the economy of the State.

WHEREAS, the Board finds that:

ZEVs represent the cleanest, most advanced technologies available; the commercialization of ZEVs through regulatory requirements and other incentives is critical to the long-term success of California's clean air program;

Expansion of the zero-emission Battery Electric Vehicle market is hindered by the lack of industry-wide convergence on a single charging architecture and connection standard;

Needless duplication and additional costs result from installation of multiple types of public and workplace charging stations in order to accommodate vehicles equipped with a variety of charging architectures and connection types;

On-board conductive charging technology offers the most promising combination of overall cost, consumer needs, and future technology potential;

The number of ZEVs in use in California is expected to increase substantially between 2006 and 2010, from approximately 10,000 to approximately 60,000;

A charging infrastructure standard needs to be adopted now, while the number of ZEVs in use is relatively low, to allow necessary lead-time for transition planning and vehicle design;

Prior definitions and methods used for assignment of vehicle sales volumes to particular manufacturers in assessing a manufacturer's ZEV obligation were subject to varying interpretations;

In determining whether a manufacturer is a small or intermediate volume manufacturer for purposes of the ZEV requirements, it is appropriate to aggregate the sales volume of a manufacturer with that of any other manufacturers in which it has a majority ownership interest since the subsidiary manufacturer has access to the resources of its parent;

Staff's suggested modifications to the original proposal appropriately clarify application of the aggregation requirements where majority ownership of a manufacturer changes; and

It is appropriate to make the additional modifications to the aggregation requirements approved herein because majority-owned operationally independent manufacturers and their owners have relied on the existing regulatory requirements in developing their plans for implementing the ZEV requirements.

WHEREAS, the Board further finds that:

The amendments approved herein will not have any significant adverse impacts on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the amendments to title 13, California Code of Regulations, sections 1900 and 1962, set forth in Attachment A hereto, with the modifications set forth in Attachment B hereto, making modifications to the aggregation elements so that a manufacturer that is now majority owned by another manufacturer would become subject to expanded ZEV requirements starting with the 2010 model year, and a manufacturer that subsequently becomes majority owned by another manufacturer would be provided appropriate leadtime of between four and six years.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to incorporate into the approved amendments the modifications described above, with such other conforming modifications as may be appropriate, and then to adopt the modified amendments, after making the modified regulatory language available for public comment for a period of 15 days, provided that the Executive Officer shall consider such written comments regarding the modified text as may be submitted during this period, shall make modifications as may be appropriate in light of the comments received, and shall present the regulations to the Board for further consideration if he determines that this is warranted.

BE IT FURTHER RESOLVED that the Board hereby determines that the amendments approved herein will not cause California motor vehicle emission standards, in the aggregate, to be less protective of public health and welfare than applicable federal standards.

BE IT FURTHER RESOLVED that the Board hereby finds that separate California emission standards and test procedures are necessary to meet compelling and extraordinary conditions.

BE IT FURTHER RESOLVED that the Board finds that the California emission standards and test procedures with the amendments approved herein will not cause the California requirements to be inconsistent with section 202(a) of the Clean Air Act and raise no new issues affecting previous waiver determinations of the Administrator of the Environmental Protection Agency pursuant to section 209(b) of the Clean Air Act.

BE IT FURTHER RESOLVED that the Executive Officer shall, upon adoption, forward the amended regulations to the U.S. Environmental Protection Agency with a request

either for a waiver of federal preemption pursuant to section 209(b) of the Clean Air Act, or a confirmation that the amendments are within the scope of previous waivers.

I hereby certify that the above is a true and correct copy of Resolution 01-19, as adopted by the Air Resources Board.

Marie Kavan, Clerk of the Board

Resolution 01-19

June 28, 2001

Identification of Attachments to the Resolution

Attachment A: Proposed Regulation Order, as set forth in Appendix B of the Staff Report: Initial Statement of Reasons

Attachment B: Staff's Suggested Modifications to the Original Proposal, as distributed at the Board hearing