

Permanent Regulation - Informational Statement

A Permanent Regulation Relating to Air Quality

Legislative Review of Adopted Permanent Regulations as Required
by Administrative Procedures Act, NRS 233B.066

State Environmental Commission (SEC) Permanent No: R014-17

Permanent Regulation R014-17:

Nevada Revised Statutes (NRS) 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution. NRS 445B.770 establishes specific authority of the SEC regarding the establishment of regulations that control emissions from motor vehicles and the appropriate criteria and procedures for the approval, installation and use of devices for the control of emissions from motor vehicles.

SPECIFIC CHANGES:

The amendment pertains to NAC Chapter 445B. The NDEP will, under specific circumstances, provide an exemption from requirements that motor vehicles registered in Nevada that were originally equipped with devices to control pollution, must have those devices correctly installed and in good operating condition.

The State of Nevada is seeking Beneficiary Status in the matter of the Volkswagen 2.0L Partial Consent Decree Environmental Mitigation Trust Agreement. The State likely qualifies as a beneficiary due to the environmental harm suffered by the State from emissions that exceeded EPA-compliance levels emitted by the diesel-powered Subject Vehicles identified in the settlement manufactured by the Volkswagen Group. To qualify as a beneficiary, the State must certify that it shall not deny registration to any Subject Vehicle based solely on the fact that it has a defeat device installed that renders it ineffective or inoperable for the control of pollution. The 2.0L Partial Consent Decree requires the Volkswagen Group, by June 30, 2019, to take steps to address the emissions from at least 85% of the Subject Vehicles. This will be accomplished through either a vehicle buyback/early lease termination program, or through an emissions modification recall program. NDEP expects that these programs will be effective in substantially reducing future emissions from the Subject Vehicles.

1. Need for Regulation:

The regulatory amendment is needed to allow the State of Nevada to qualify for Beneficiary Status. As a beneficiary, the State expects to receive approximately \$25 million to be used for diesel emission reduction projects and zero emission vehicle infrastructure projects (electric vehicle charging stations) that are intended to mitigate the excess nitrogen oxide emissions produced by the Subject Vehicles. The expected reductions in emissions resulting from these projects, combined with the long-term environmental benefits of providing charging infrastructure which may help facilitate a transition to clean electric vehicles, outweighs the future environmental harm presented by allowing the Subject Vehicles to remain on Nevada's roadways.

2. A description of how public comment was solicited, a summary of public response and an explanation of how other interested persons may obtain a copy of the summary.

On July 25, 2017 NDEP conducted a public workshop on regulation R014-17. The workshop was held in Carson City and video-conferenced in Las Vegas. The meeting location in Carson City was at the Bryan Building located at 901 S. Stewart Street (Great Basin Conference Room) and video-conferenced to the NDEP office, located at 2030 East Flamingo Road, Suite 230.

One (9) members of the public attended the workshop.

Questions from the public presented at the workshop were addressed by NDEP staff; summary minutes of the workshop are posted on the SEC website at:

http://sec.nv.gov/main/hearing_0917.htm .

Following the workshop, the SEC held a formal regulatory hearing on September 13, 2017 at the Legislative Building, Room 4100, located at 401 South Carson Street and video-conferenced in Las Vegas at the Grant Sawyer Building, Room 4412E, located at 555 East Washington Ave. A public notice for the regulatory meeting was posted at the meeting location, at the State Library in Carson City, at NDEP in Las Vegas, at the Division of Minerals in Carson City, at the Department of Agriculture, on the LCB website, on the Division of Administration website and on the SEC website.

Copies of the agenda, the public notice, and the proposed permanent regulation R014-17 were also made available at all public libraries throughout the state as well as to individuals on the SEC mailing list, the Bureau of Air Quality Planning electronic mailing list and the DMV electronic mailing list.

The public notice for the proposed temporary regulation was published in the Las Vegas Review Journal and Reno Gazette Journal newspapers once a week for three consecutive weeks prior to the SEC regulatory meeting. Other information about this

regulation was made available on the SEC website at:
http://sec.nv.gov/main/hearing_0917.htm .

3. The number of persons who attended the SEC Regulatory Hearing:

- (a) Attended September 13, 2017 hearing: 33 (approximately)
- (b) Testified on this Petition at the hearing: 0
- (c) Submitted to the agency written comments: 0

4. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation of how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses through e-mail, a public workshop and at the September 13, 2017 SEC hearing as noted in number 2 above.

5. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The regulation was adopted without change because the public and the SEC were satisfied with the amendments.

6. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public.

Regulated Business/Industry. The regulation will have no impact on regulated business/industry.

Public. The regulation will have no economic impact on the public, at large. It will have a positive economic benefit for those owners of the vehicles subject to the amendment.

7. The estimated cost to the agency for enforcement of the adopted regulation.

Enforcing Agency. The regulation will have no economic impact on NDEP or DMV.

8. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The amendments do not overlap any other State or federal regulations.

9. If the regulation includes provisions which are more stringent than a federal regulation, which regulates the same activity, a summary of such provisions.

The regulation is no more stringent than what is established by federal law.

10. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The regulation does not address new fees.