

FORM # 1

FORM FOR PETITIONING THE STATE ENVIRONMENTAL COMMISSION FOR
ADOPTION, FILING AMENDMENTS OR REPEAL OF COMMISSION REGULATIONS

1. Nevada Division of Environmental Protection
901 South Stewart Street, Suite 4001
Carson City, NV 89701-5249
(775) 687-4670
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 6/13/16

Jeffrey Kinder, Chief
Bureau of Air Pollution Control
(775) 687-9475

 6/17/2016

Danilo Dragoni, Chief
Bureau of Air Quality Planning
(775) 687-9340

2. The Nevada Division of Environmental Protection (NDEP) is a division of the Nevada Department of Conservation and Natural Resources of the State of Nevada. The NDEP is an environmental regulatory agency.
3. Nevada Revised Statutes (NRS) 486A.150 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to carry out the provisions of this chapter, including standards for alternative fuels, specifications for and acquisition requirements for clean vehicles and alternative fuel vehicles, and other related matters.

SPECIFIC CHANGES:

The Nevada Division of Environmental Protection (NDEP) is proposing to update and modernize the alternative fuels in fleets program (NAC 486A) to reflect changes in alternative and conventional fuels, and in new clean vehicle technologies available to regulated fleets.

The amendments propose to:

- Eliminate the requirement that gasoline-powered vehicles acquired before 2017 run reformulated gasoline (RFG). A change in federal fuel standards that takes effect in 2017 will require all gasoline sold in Nevada to meet the same standards as California Phase 3 reformulated gasoline, which along with the similar Arizona Cleaner Burning Gasoline formulation is the only RFG available in this region. In effect, the conventional gasoline that will be required to be sold in every state will equal the highest emission-reduction standards in the world by federal mandate; there will be no cleaner alternative for gasoline-powered engines.
- Eliminate California Phase 3 reformulated gasoline and Arizona Cleaner Burning Gasoline from the list of Alternative Fuels because the same formulation will become conventional gasoline nationwide.
- Lower the percentage of new vehicles acquired by regulated fleets that must be alternative fuel vehicles from the current 90% to 20%. This change will serve as a "reset" to the program. It aligns the acquisition percentage requirement to

reflect the percentage of vehicles some fleets in the program typically purchase that are gasoline-powered (up to 80%). It constitutes a fresh benchmark that can be strengthened as new low-emission technologies are developed by the automotive industry and adopted by fleets, such as battery electric and plug-in electric vehicles. It is particularly important for these technologies to be given time to be developed for the types of vehicles that state and local agency fleets usually purchase (pickups, vans, SUVs, and all-wheel drive vehicles).

- Incentivize the acquisition of battery electric and plug-in hybrid electric vehicles by allowing for the acquisition of a non-qualifying vehicle for every battery electric and plug-in hybrid electric vehicle acquired.
- Amend the definition of "Clean Vehicle" to include hybrid electric, plug-in hybrid electric, battery electric vehicles, and SmartWay and SmartWay Elite vehicles. This definition change is needed so that new low emission vehicle technologies are recognized and accounted for under the program.
- Amend the definition of "Clean Vehicle" to also include vehicles that are equipped with and utilize a vehicle telematics system. This telemetry device and associated software allows fleet managers to monitor vehicle systems and usage in a manner that reduces emissions. For example, it alerts the fleet manager when a vehicle's emission system is not functioning correctly and needs to be repaired or can be used to flag excessive idling.
- Add two alternative formulations of diesel fuel to the list of allowable alternative fuels. GDiesel is a Nevada-refined product that has been an allowable alternative fuel by action of the Administrator under NAC 486A.140 since 2012; Renewable Diesel is a low carbon diesel fuel that has recently become available in our region.
- Simplify fleet reporting requirements by removing unnecessary information and certification, but still retaining the enforcement authority necessary to fulfill the mission of the program.

4. NEED FOR AND PURPOSE:

These amendments will realign the program with changes in alternative and conventional fuels and in new clean vehicle technologies available to regulated fleets in a manner that will permit the fleets to adopt these technologies and have viable options for compliance, while assuring that fuel and vehicles with lower emissions are being used.

5. ECONOMIC EFFECTS:

- (a) Regulated Business/Industry. This regulation does not regulate private businesses or industry and will not have an economic impact on small businesses.
- (b) Public. The proposed regulation will likely provide a small economic benefit to the public because public fleets will no longer have to import RFG into the State at a considerable price premium.
- (c) Enforcing Agency. There will be no economic impact on NDEP.

6. The proposed amendments do not overlap any other State or federal regulations.
7. The proposed amendments are no more stringent than what is established by federal law.
8. The proposed amendments do not add or increase any fees.