

Notice of Regulatory Hearing Adoption of Regulations and Other Matters Before the State Environmental Commission

The State Environmental Commission (SEC) will hold a meeting on Wednesday, September 1, 2021, at 9:00 am in Carson City. The meeting will be held in the Nevada Legislative Building, Room 3138, located at 401 South Carson Street. The meeting will also be video-conferenced in Las Vegas at the Grant Sawyer Building, Room 4412, located at 555 East Washington Avenue. The purpose of the meeting is to receive comments from all interested persons regarding the information listed on this notice and the meeting agenda. The following information is provided pursuant to the requirements of NRS 233B.0603.

R093-20: Bureau of Air Quality Planning - Low and Zero Emission Vehicle Standards

The proposed amendments pertain to NAC Chapter 445B. NDEP is proposing to amend NAC 445B to adopt:

- a) The California Low Emission Vehicle (LEV) standards for exhaust emissions and fuel evaporative emissions of criteria pollutants and greenhouse gases from mobile internal combustion engines found in new, light-duty and medium duty motor vehicles sold in Nevada starting from model year 2025.
- b) The California Zero Emission Vehicle (ZEV) program, starting with sales of model year 2025 vehicles. The ZEV program requires that automobile manufacturers earn a specified percentage of credits that are related to the delivery for sale of new motor vehicles in the state that are zero emission vehicles.

The proposed revisions include creating a new subsection for the LEV and ZEV programs under the Emissions from Engines section. The subsection includes general provisions, definitions, severability, adoption of California Administrative Code by reference, LEV program provisions, ZEV program provisions, warranty and recall provisions, and civil penalties

The proposed amendment will have an indirect economic effect on regulated businesses and industry; including the motor vehicle franchised dealers, auto repair facilities, auto parts suppliers and retail outlets, automotive fuel retailers and suppliers, and the motor vehicle manufacturers, however, only a generalized and qualitative impact on these businesses can be predicted. The requirement of selling an increasing percentage of ZEVs may increase costs and uncertainty over consumer acceptance for the dealers. Automotive dealerships may also expect vehicle service revenue to decline over time due to the greater reliability of and lower maintenance costs for electric vehicles. Costs for new non-ZEV vehicles may be higher due to the additional technology required for more stringent LEV emission standards. Manufacturers will incur compliance and reporting costs.

The proposed regulation will have an indirect economic effect on regulated businesses and industry; including the motor vehicle franchised dealers, auto repair facilities, auto parts suppliers and retail outlets, automotive fuel retailers and suppliers, and the motor vehicle manufacturers, however, only a generalized and qualitative impact on these businesses can be predicted. The requirement of selling an increasing percentage of ZEVs may increase costs and uncertainty over consumer acceptance for the dealers. Automotive dealerships may also expect vehicle service revenue to decline over time due to the greater reliability of and lower maintenance costs for electric vehicles. Costs for new non-ZEV vehicles may be higher due to the additional technology required for more stringent LEV emission standards. Manufacturers will incur compliance and reporting costs.

The proposed regulation will have a positive economic effect on the public. Prices of zero emission vehicles are likely to be initially higher than comparable vehicles, though prices are expected to achieve parity within the next five to seven years. However, repair costs of zero emission vehicles are lower over the life of the vehicle due to many fewer moving parts. Lifetime fueling costs of electric vehicles in place of petroleum-fueled vehicles are lower. In general, the requirement for increasing ZEV sales will provide a much larger choice of ZEV makes and models available to the public, and lower lifetime vehicle ownership costs. In the long term, the fleet transformation to low emission and zero emission vehicles will lead to significant reductions in GHG and criteria pollutants from the transportation sector. This is expected to provide significant societal benefits, especially for those Nevadans living in areas already impacted by air pollution.

The proposed regulation will have an economic effect on the Nevada agencies charged with implementing the regulation. NDEP will take the lead on this program's implementation. NDEP will also coordinate with the Department of Motor Vehicles on the compliance and enforcement of the program. Initial implementation of the program will be done with existing staff, however, ongoing program implementation and future rulemakings associated with this program may require additional staff. The Clean Air Act provides exclusive authority for the EPA to regulate emission standards from motor vehicles, with the exception of the state of California, which can adopt more stringent standards with the approval of the EPA through a waiver process. Other states can adopt California vehicle emission standards as long as they are identical to those adopted by California. This regulation proposes to adopt California standards for certain types of vehicles and model years, hence replacing the federal standards.

The proposed amendments <u>are more stringent</u> than what is established by federal law. Section 177 of the federal Clean Air Act, 42 U.S.C. Section 7507, provides states the option of requiring compliance with either federal or approved California emission standards for vehicles sold within their borders. This option is made available to states in order to facilitate additional emissions reductions that states can use to meet individual statewide emission reduction goals or Clean Air Act requirements

The proposed amendments do not address fees.

Additional Information: Persons wishing to comment on the proposed actions of the SEC may appear at the scheduled public hearing or may address their comments, data, views, or arguments in written form to: State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. The SEC must receive written submissions at least five days before the scheduled public hearing.

If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the SEC may proceed immediately to act upon any written submissions.

Members of the public can inspect copies of the regulations to be adopted at the State Library and Archives in Carson City (100 Stewart Street), and at the offices of the Division of Environmental Protection in Carson City and Las Vegas. The Carson City office is located at 901 South Stewart Street, Suite 4001 and the Las Vegas office is located at 375 East Warm Springs Road, Suite 200.

As required by the provisions of chapters 233B and 241 of Nevada Revised Statutes, the public notice for this hearing was posted at the following locations: the Bryan Building (901 South Stewart Street, Carson City, Nevada); the offices of the Division of Environmental Protection in Las Vegas (375 East Warm Springs Road, Suite 200), at the State Library and Archives building in Carson City (100 Stewart Street), the Nevada Division of Minerals, 400 W. King Street, Carson City, NV and the Department of Agriculture, 405 South 21st Street,

Sparks, NV.

In addition, copies of this notice have been deposited electronically at major library branches in each county in Nevada as specified below. This notice and the text of the proposed regulations are also available on the SEC's website at: <u>https://sec.nv.gov/meetings/sec-regulatory-meeting-september-1-2021</u> The proposed regulation denoted in this notice, is, or will be, posted on the Legislative Counsel Bureau's website at <u>http://www.leg.state.nv.us/register/</u> and also the Department of Administration's website at <u>https://notice.nv.gov/</u>.

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify, in writing, the Nevada State Environmental Commission, in care of Stephanie Simpson, Executive Secretary, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249, facsimile (775) 687-5856, or by calling (775) 687-9312, no later than 5:00 p.m. on August 25, 2021.

This Notice was provided to or posted at the following Nevada county locations:

Carson City Library 900 North Roop Street Carson City, Nevada 89701-3101

Churchill County Library 553 South Main Street Fallon, Nevada 89406-3306

Las Vegas-Clark County Library District Director of Marketing and Community Relations 7060 W. Windmill Las Vegas, Nevada 89113

Douglas County Public Library 1625 Library Lane Minden, Nevada 89423-0337

Elko County Library 720 Court Street Elko, Nevada 89801-3397

Esmeralda County Library Corner of Crook & 4th Street P.O. Box 430 Goldfield, Nevada 89013-0430

Eureka County Library 10190 Monroe Street Eureka, Nevada 89316

Humboldt County Library 85 East 5th Street Winnemucca, Nevada 89445-3095

Battle Mountain Branch Library (Lander County) 625 South Broad Street Battle Mountain, Nevada 89820 Lincoln County Library 63 Main Street Pioche, Nevada 89043

Lyon County Library System 20 Nevin Way Yerington, Nevada 89447-2399

Mineral County Public Library P.O. Box 1390 Hawthorne, Nevada 89415

Pershing County Library 1125 Central Avenue Lovelock, Nevada 89419

Storey County Library - Closed Posted at Clerk's Office Address below:

Storey County Treasurer and Clerk's Office Drawer D Virginia City, Nevada 89440

Tonopah Public Library (Nye County) P.O. Box 449 Tonopah, Nevada 89049

Washoe County Library System 301 South Center Street Reno, Nevada 89501-2102

White Pine County Library 950 Campton Street Ely, Nevada 89301