APPROVED REGULATION OF THE

STATE ENVIRONMENTAL COMMISSION

LCB File No. R093-20

Filed October 25, 2021

EXPLANATION - Matter in italics is new; matter in brackets [omitted material] is material to be omitted.

AUTHORITY: §§ 1-35 and 37, NRS 445B.210 and 445B.760; § 36, NRS 445B.760 and 445B.835.

A REGULATION relating to air pollution; adopting certain emissions standards of the State of California; defining certain terms relating to emissions standards; establishing the types of vehicles and vehicle engines to which this regulation applies; adopting by reference certain provisions of California law relating to emissions standards; prohibiting the sale, lease and certain other actions to provide or acquire motor vehicles that do not comply with certain emission standards; prohibiting manufacturers of certain vehicles from exceeding certain fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gas emission standards; requiring manufacturers of certain motor vehicles to submit annual reports related to certain emissions of the manufacturer's fleet; requiring a manufacturer to submit certain information related to motor vehicles sold in this State upon request; providing that certain authorized representatives of the State Department of Conservation and Natural Resources and the Department of Motor Vehicles may enter and inspect the premises of vehicle dealers; requiring a vehicle dealer or short-term lessor of vehicles to submit certain information upon request; setting forth various provisions relating to emissions warranties for certain motor vehicles; prohibiting the sale of certain new motor vehicles without certain emissions labels; setting forth requirements for emissions-related recall campaigns for motor vehicles; setting forth various provisions relating to the sale of zero emission vehicles; requiring manufacturers to submit an annual report of credits generated and transferred for zero emission vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing federal law, the United States Environmental Protection Agency (EPA) may grant the State of California a waiver to adopt emissions standards other than those set forth in the Clean Air Act, 42 U.S.C. § 7521, as long as such standards are at least as protective of public health and welfare as the standards adopted by the Federal Government and if the

Administrator of the EPA determines that the adoption of such standards was not arbitrary and capricious or that the standards are not necessary to meet compelling and extraordinary circumstances. (42 U.S.C. § 7543) Existing federal law also authorizes the remaining states to adopt emissions standards for new motor vehicles if the standards are identical to those standards adopted by California which have been granted a waiver by the EPA. (42 U.S.C. § 7507) The State of California has adopted emissions standards which include: (1) various emissions standards for new motor vehicles; (2) requirements for manufacturers to meet certain fleet standards for emissions of non-methane organic gas plus oxides of nitrogen and greenhouse gases; (3) requirements that a certain percentage of new motor vehicles produced and delivered for sale be zero emission vehicles; and (4) the establishment of a credit bank for zero emission vehicle credits which manufacturers may trade, sell, buy or transfer. (Cal. Code Regs. tit. 13 §§ 1900 et seq.)

Existing law authorizes the State Environmental Commission to prescribe standards for exhaust emissions, fuel evaporative emissions and visible emissions of smoke from mobile internal combustion engines. (NRS 445B.760) Beginning with model year 2025, this regulation: (1) adopts emissions standards that are identical to those adopted by California; (2) prohibits manufacturers from exceeding the fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gases emissions standards set by California; and (3) adopts requirements for the sale of zero emission vehicles consistent with the requirements for such vehicles adopted by California to achieve emissions reductions in this State.

Section 18 of this regulation provides that if any provision of this regulation is found invalid by a court, such a provision is severable from the remaining provisions of this regulation. Section 19 of this regulation sets forth: (1) the motor vehicles to which this regulation applies beginning in model year 2025; and (2) certain exceptions to the requirements of this regulation. Section 20 of this regulation adopts by reference certain provisions of California law relating to emissions standards and low and zero emission vehicles.

Section 21 of this regulation prohibits, with certain exceptions, the sale, lease, import, delivery, registering or otherwise receiving or acquiring of passenger cars, light-duty trucks, medium-duty passenger vehicles or medium-duty vehicles that are not certified to California's emissions standards for non-methane organic gas plus oxides of nitrogen and greenhouse gas. Sections 22 and 23 of this regulation prohibit manufacturers of passenger cars, light-duty trucks and medium-duty vehicles from exceeding the fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gas emission standards established by California and adopted by reference in this regulation. Sections 22 and 23 further provide that a manufacturer may earn and utilize credits and debits for the sale of vehicles in this State in accordance with California law which sets forth the provisions for the calculation of credits and debits based on emissions.

Sections 24 and 25 of this regulation require manufacturers to submit annual reports to the State Department of Conservation and Natural Resources detailing the non-methane organic gas plus oxides of nitrogen or greenhouse gas emissions of the manufacturer's fleet produced and delivered for sale in this State. If the manufacturer is not in compliance with the fleet average non-methane organic gas plus oxides of nitrogen and greenhouse gas emission standards,

sections 24 and 25 of this regulation further require a manufacturer to submit a fleet average remediation report.

Section 26 of this regulation requires a manufacturer to submit upon request certain documents related to motor vehicles sold in this State by the manufacturer. **Section 27** of this regulation provides that an authorized representative of the Department or the Department of Motor Vehicles may enter any premises of a vehicle dealer to inspect motor vehicles with a model year of 2025 or later.

Section 28 of this regulation provides that the Department may require a vehicle dealer or short-term lessor of vehicles to submit certain information to determine compliance with the requirements of this regulation. Section 28 requires any manufacturer, vehicle dealer, short-term lessor of vehicles or any other person subject to this regulation to retain his or her records for at least 3 years.

Section 29 of this regulation requires manufacturers of certain motor vehicles to provide an emissions control system warranty to purchasers of the manufacturer's vehicles that complies with the requirements of California law for such warranties. Section 29 further requires the manufacturer to include with each vehicle, with certain exceptions, an emissions control system warranty statement.

Section 30 of this regulation prohibits selling, renting, leasing and various other actions to provide, acquire or deliver certain types of new motor vehicles in this State if certain emission control labels and Environmental Performance labels have not been affixed to the vehicle.

Section 31 of this regulation requires manufacturers of certain types of vehicles to comply with various requirements for emissions-related recall campaigns set forth in California law.

Existing California law requires vehicles to be certified as zero emission vehicles (ZEV) by the Executive Officer of the California Air Resources Board. Manufacturers must meet a minimum ZEV credit obligation for the production and delivery of zero emission vehicles in the state which is calculated as a percentage of the number of passenger cars and light-duty trucks that the manufacturer produces and delivers for sale in the state. (Cal Code Regs. tit. 13, § 1962.2) **Section 32** of this regulation requires: (1) all zero emission vehicles produced and delivered for sale in this State to be certified as zero emission vehicles under California law; and (2) manufacturers to comply with the minimum ZEV credit obligation for the sale of zero emission vehicles set forth in California law.

Section 33 of this regulation authorizes manufacturers to earn early action credits for model years 2022, 2023 and 2024 for certain vehicles produced and delivered for sale in this State beginning on January 1, 2022. Such credits must be managed by the Department and available for use by the manufacturer beginning in model year 2025. Section 34 of this regulation requires manufacturers to open an account in the California ZEV Credit Reporting and Data Tracking System for ZEV credits in this State. Section 34 further sets forth requirements for the calculation of initial ZEV credits and restrictions on the use of these credits for the 2025 and 2026 model years. Section 35 of this regulation requires manufacturers to submit an annual report of ZEV credits generated or transferred for each vehicle sold in this State.

Section 36 of this regulation provides that a manufacturer who fails to meet its credit obligation for the sale of zero emission vehicles in this State must make up the credit deficit by the next model year or the manufacturer may be subject to a civil penalty.

On September 27, 2019, the EPA and National Highway Traffic Safety Administration of the United States Department of Transportation (NHTSA) issued a joint rule, "The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule Part One: One National Program," which revoked the waiver previously issued to California by the EPA. (84 Fed. Reg. 51310 (Sept. 27, 2019) (codified at 49 C.F.R. Parts 531 and 533)) The EPA and NHTSA are currently accepting comments on a revised rule to grant a waiver to California. Section 37 of this regulation provides that: (1) the Department shall not enforce the provisions of this regulation until the later of January 1, 2022, or the date that the waiver issued by the EPA to California pursuant to 42 U.S.C. § 7543 is reinstated or a new waiver is issued; and (2) any requirements set forth in this regulation for model years 2025 and later must be adopted and filed with the Secretary of State not later than 2 years before the model year in order for those requirements to be enforced by the Department.

- **Section 1.** Chapter 445B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 36, inclusive, of this regulation.
- Sec. 2. The provisions of sections 2 to 36, inclusive, of this regulation set forth the emissions standards for motor vehicles in this State beginning with model year 2025.
- Sec. 3. As used in sections 2 to 36, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 4 to 17, inclusive, of this regulation have the meaning ascribed to them in those sections.
 - Sec. 4. 1. "Auxiliary power unit" means any device that:
- (a) Provides electrical or mechanical energy to a range extended battery electric vehicle after the zero emission range has been fully depleted; and
- (b) Meets the requirements of section 1962.2(c)(2) of Title 13 of the <u>California Code of</u>
 Regulations, which is adopted by reference pursuant to section 20 of this regulation.
 - 2. The term does not include a fuel-fired heater.

- Sec. 5. "CARB" means the California Air Resources Board or its successor agency which is established and empowered to regulate air pollution in the state of California pursuant to section 39003 of the California Health and Safety Code, as amended or supplemented.
- Sec. 6. "Department" means the State Department of Conservation and Natural Resources.
- Sec. 7. "Director" means the Director of the State Department of Conservation and Natural Resources.
- Sec. 8. "Greenhouse gas" means any of the following gases, either alone or in combination:
 - 1. Carbon dioxide;
 - 2. Hydrofluorocarbons (HFCs);
 - 3. Methane; and
 - 4. Nitrous oxide.
- Sec. 9. "Gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle.
 - Sec. 10. "Light-duty truck" means:
 - 1. Any motor vehicle that is:
- (a) Certified to the standards set forth in section 1961(a)(1) or 1961.2 of Title 13 of the California Code of Regulations, as applicable, which are adopted by reference pursuant to section 20 of this regulation; and
 - (b) Rated at 8,500 pounds gross vehicle weight or less; or

- 2. Any motor vehicle that is rated at 6,000 pounds gross vehicle weight or less that is:
- (a) Designed primarily to transport property or is a derivative of such a vehicle; or
- (b) Available with special features enabling off-street or off-highway operation and use.
- Sec. 11. "Medium-duty passenger vehicle" means any medium-duty vehicle with a gross vehicle weight rating of less than 10,000 pounds that is designed primarily for the transportation of persons. The term does not include any vehicle that:
- 1. Is a truck that does not have a primary load carrying device or container attached, commonly known as an incomplete truck;
 - 2. Has a seating capacity of more than 12 persons;
 - 3. Is designed for more than 9 persons in seating rearward of the driver's seat; or
- 4. Is equipped with an open cargo area of 72 inches or more in interior length. A covered box that is not readily accessible from the passenger compartment is considered an open cargo area for purposes of this subsection.
- Sec. 12. "Medium-duty vehicle" means any heavy-duty low-emission, ultra-low-emission, super-ultra-low-emission or zero-emission vehicle that:
- 1. Is certified to the standards in section 1961(a)(1), 1961.2, 1962 or 1962.1 of Title 13 of the <u>California Code of Regulations</u>, as applicable, which are adopted by reference pursuant to section 20 of this regulation; and
- 2. Has a manufacturer's gross vehicle weight rating of at least 8,501 pounds but not more than 14,000 pounds.
- Sec. 13. "Neighborhood electric vehicle" means a motor vehicle that is certified to zero emission vehicle standards and meets the definition of a low-speed vehicle as that term is

defined in section 385.5 of the <u>California Vehicle Code</u> or meets the standards for a low-speed vehicle set forth in 49 C.F.R. § 571.500, as it existed on July 1, 2000.

- Sec. 14. "Passenger car" means any motor vehicle designed primarily for the transportation of people that has a design capacity of 12 persons or less.
 - Sec. 15. "Range extended battery electric vehicle" means a vehicle that:
- 1. Is powered predominantly by a zero emission energy storage device that is able to drive for more than 75 all-electric miles;
- 2. Is equipped with a backup auxiliary power unit which does not operate until the energy storage device is fully depleted; and
- 3. Meets the requirements set forth in section 1962.2(d)(5)(G) of Title 13 of the California Code of Regulations, which is adopted by reference pursuant to section 20 of this regulation.
 - Sec. 16. "Transitional zero emission vehicle" means a vehicle that:
- 1. Meets the requirements set forth in section 1962.2(c)(2) of Title 13 of the <u>California</u>

 <u>Code of Regulations</u>, which is adopted by reference pursuant to section 20 of this regulation;
 and
- 2. Qualifies for an allowance in accordance with section 1962.2(c)(3)(A) or (E) of Title 13 of the <u>California Code of Regulations</u>, which is adopted by reference pursuant to section 20 of this regulation.
- Sec. 17. "Zero emission vehicle" or "ZEV" means a vehicle that produces zero exhaust emissions of any criteria pollutant, precursor pollutant or greenhouse gas under any possible operational mode or condition.

- Sec. 18. If any provision of sections 2 to 36, inclusive, of this regulation or its application thereof to any person, thing or circumstance is held invalid by a court of competent jurisdiction, the invalidity does not affect the remaining provisions or applications thereof, and to this end the provisions of sections 2 to 36, inclusive, of this regulation are severable.
- Sec. 19. 1. Except as otherwise provided in subsection 2 and section 33 of this regulation, the provisions of sections 2 to 36, inclusive, of this regulation apply to all 2025 and later model year:
- (a) Motor vehicles offered for sale or lease in this State or sold or leased for registration in this State that are:
 - (1) Passenger cars;
 - (2) Light-duty trucks;
 - (3) Medium-duty passenger vehicles; or
 - (4) Medium-duty vehicles;
 - (b) Motor vehicle engines offered for sale in this State that will be installed in:
 - (1) Passenger cars;
 - (2) Light-duty trucks;
 - (3) Medium-duty passenger vehicles; or
 - (4) Medium-duty vehicles; and
- (c) Motor vehicles sold or leased to the United States government or an agency thereof or to the State of Nevada or a political subdivision thereof that are or will be registered in this State that are:
 - (1) Passenger cars;

- (2) Light-duty trucks;
- (3) Medium-duty passenger vehicles; or
- (4) Medium-duty vehicles.
- 2. The provisions of sections 2 to 36, inclusive, of this regulation do not apply to:
- (a) A vehicle acquired by a resident of this State for the purpose of replacing a vehicle registered to the resident which was damaged, became inoperative beyond reasonable repair or was stolen while out of this State, provided that the replacement vehicle is acquired outside of this State at the time the previously owned vehicle was either damaged, became inoperative or was stolen, as applicable;
 - (b) A vehicle transferred by inheritance;
 - (c) A vehicle transferred by court decree;
- (d) Any vehicle that has a certificate of conformity issued pursuant to the Clean Air Act, 42 U.S.C. §§ 7401 et seq., that was originally registered in another state by a person who subsequently established residency in this State and who, upon registration of the vehicle in this State, provides satisfactory evidence to the Department of Motor Vehicles or its designee of the previous residence and registration;
 - (e) Any vehicle with 7,500 miles or more of use as of the date of sale or lease;
- (f) Any vehicle designated as an authorized emergency vehicle pursuant to NRS 484A.480, as amended by section 5 of Senate Bill No. 46, chapter 151, Statutes of Nevada 2021, at page 669; and
- (g) Any vehicle that meets the definition of a military tactical vehicle pursuant to NRS 445B.759.

Sec. 20. 1. The following provisions of Title 13 of the California Code of

Regulations are hereby adopted by reference:

- (a) Section 1900, as it existed on January 1, 2020;
- (b) Section 1956.8(h), as it existed on January 1, 2020;
- (c) Section 1960.1, as it existed on January 1, 2020;
- (d) Section 1961, as it existed on January 1, 2020;
- (e) Section 1961.1, as it existed on January 1, 2020;
- (f) Section 1961.2, as it existed on January 1, 2020;
- (g) Section 1961.3, as it existed on January 1, 2020;
- (h) Section 1962, as it existed on January 1, 2020;
- (i) Section 1962.1, as it existed on January 1, 2020;
- (j) Section 1962.2, as it existed on January 1, 2020;
- (k) Section 1962.3, as it existed on January 1, 2020;
- (1) Section 1965, as it existed on January 1, 2020;
- (m) Section 1968.2, as it existed on January 1, 2020;
- (n) Section 1968.5, as it existed on January 1, 2020;
- (o) Section 1976, as it existed on January 1, 2020;
- (p) Section 1978, as it existed on January 1, 2020;
- (q) Section 2035, as it existed on January 1, 2020;
- (r) Section 2037, as it existed on January 1, 2020;
- (s) Section 2038, as it existed on January 1, 2020;
- (t) Section 2039, as it existed on January 1, 2020;

- (u) Section 2040, as it existed on January 1, 2020;
- (v) Section 2041, as it existed on January 1, 2020;
- (w) Section 2046, as it existed on January 1, 2020;
- (x) Section 2062, as it existed on January 1, 2020;
- (y) Section 2109, as it existed on January 1, 2020;
- (z) Section 2111, as it existed on January 1, 2020;
- (aa) Section 2112, as it existed on January 1, 2020;
- (bb) Section 2113, as it existed on January 1, 2020;
- (cc) Section 2114, as it existed on January 1, 2020;
- (dd) Section 2115, as it existed on January 1, 2020;
- (ee) Section 2116, as it existed on January 1, 2020;
- (ff) Section 2117, as it existed on January 1, 2020;
- (gg) Section 2118, as it existed on January 1, 2020;
- (hh) Section 2119, as it existed on January 1, 2020;
- (ii) Section 2120, as it existed on January 1, 2020;
- (jj) Section 2121, as it existed on January 1, 2020;
- (kk) Section 2122, as it existed on January 1, 2020;
- (II) Section 2123, as it existed on January 1, 2020;
- (mm) Section 2124, as it existed on January 1, 2020;
- (nn) Section 2125, as it existed on January 1, 2020;
- (00) Section 2126, as it existed on January 1, 2020;
- (pp) Section 2127, as it existed on January 1, 2020;

- (qq) Section 2128, as it existed on January 1, 2020;
- (rr) Section 2129, as it existed on January 1, 2020;
- (ss) Section 2130, as it existed on January 1, 2020;
- (tt) Section 2131, as it existed on January 1, 2020;
- (uu) Section 2132, as it existed on January 1, 2020;
- (vv) Section 2133, as it existed on January 1, 2020;
- (ww) Section 2134, as it existed on January 1, 2020;
- (xx) Section 2135, as it existed on January 1, 2020;
- (yy) Section 2139, as it existed on January 1, 2020;
- (zz) Section 2141, as it existed on January 1, 2020;
- (aaa) Section 2142, as it existed on January 1, 2020;
- (bbb) Section 2143, as it existed on January 1, 2020;
- (ccc) Section 2144, as it existed on January 1, 2020;
- (ddd) Section 2145, as it existed on January 1, 2020;
- (eee) Section 2146, as it existed on January 1, 2020;
- (fff) Section 2147, as it existed on January 1, 2020;
- (ggg) Section 2148, as it existed on January 1, 2020;
- (hhh) Section 2149, as it existed on January 1, 2020; and
- (iii) Section 2235, as it existed on January 1, 2020.
- 2. For the purposes of applying the provisions of Title 13 of the <u>California Code of</u>

 <u>Regulations</u> adopted by reference in subsection 1, unless the context otherwise requires:
 - (a) "California" means the State of Nevada;

- (b) "CARB" or "AIR Resources Board" means the Department; and
- (c) "Executive Officer" means the Director.
- 3. A copy of the provisions of the <u>California Code of Regulations</u>, as adopted by reference in subsection 1, may be obtained free of charge at the Internet address http://www.oal.ca.gov.
- Sec. 21. A person shall not sell or lease, offer for sale or lease, register, import, deliver, purchase, acquire or receive a 2025 or subsequent model year new passenger car, light-duty truck, medium-duty passenger vehicle or medium-duty vehicle in this State which is not certified to the provisions of California emissions standards, as adopted by reference pursuant to section 20 of this regulation, unless the car, truck or vehicle, as applicable, is:
 - 1. Sold to another dealer;
 - 2. Sold for the purpose of being wrecked or dismantled;
 - 3. Sold exclusively for off-highway use; or
 - 4. Sold for registration outside of this State.
- Sec. 22. 1. Beginning with the 2025 model year, each manufacturer of passenger cars, light-duty trucks and medium-duty vehicles produced and delivered for sale in this State shall not exceed the fleet average non-methane organic gas plus oxides of nitrogen emission standards set forth in section 1961.2 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.
- 2. Each manufacturer subject to subsection 1 may accrue and utilize credits and debits based upon the sales of vehicles by the manufacturer in this State, in accordance with the provisions set forth in section 1961.2 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.

- Sec. 23. 1. Beginning with the 2025 model year, each manufacturer of passenger cars, light-duty trucks and medium-duty vehicles produced and delivered for sale in this State shall not exceed the fleet average greenhouse gas emission standards set forth in section 1961.3 of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation.
- 2. Each manufacturer subject to subsection 1 may accrue and utilize credits and debits based upon the sales of vehicles by the manufacturer in this State in accordance with the provisions set forth in section 1961.3 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.
- Sec. 24. 1. Beginning with the 2025 model year, each manufacturer must submit to the Department, not later than March 1 following the end of the model year, a report of the non-methane organic gas plus oxides of nitrogen exhaust emissions of the manufacturer's fleet produced and delivered for sale in this State for the applicable model year. The report must be prepared in the same format that this information is reported to CARB and in accordance with the requirements of this section.
- 2. If a manufacturer elects to report the information required pursuant to subsection 1 using the pooling provision set forth in section 1961.2 of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation, the manufacturer must report to the Department the information required pursuant to subsection 1 for the entire pool as well as for the portion specific to this State.
- 3. If the Department determines that a report submitted by a manufacturer pursuant to subsection 1 or 2 demonstrates that the manufacturer is not in compliance with section 22 of

this regulation, the Department shall require the manufacturer to submit a fleet average remediation report to the Department within 60 days after the manufacturer receives notice from the Department that the manufacturer is not in compliance. The report must:

- (a) Describe how the manufacturer intends to equalize any accrued debits;
- (b) Identify all vehicle models delivered for sale in this State, the corresponding certification levels of the vehicle models and the percentage of each vehicle model delivered for sale in this State and the state of California in relation to total fleet sales in each respective state; and
- (c) Describe how the manufacturer intends to achieve compliance with the fleet average non-methane organic gas plus oxides of nitrogen emission standard in future model years.
- Sec. 25. 1. Beginning with the 2025 model year, each manufacturer must submit to the Department, not later than March 1 following the end of the model year, a report of the greenhouse gas exhaust of the fleet produced and delivered for sale in this State by the manufacturer for the applicable model year. The report must be prepared in the same format that this information is reported to CARB and in accordance with the requirements of this section.
- 2. If a manufacturer elects to report the information required pursuant to subsection 1 using option 2 for the calculation of fleet average carbon dioxide value set forth in section 1961.3(a)(5)(D) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation, the manufacturer must report to the Department the information required pursuant to subsection 1 for the entire pool as well as for the portion specific to this State.

- 3. If the Department determines that a report submitted by a manufacturer pursuant to subsection 1 or 2 demonstrates that the manufacturer is not in compliance with section 23 of this regulation, the Department shall require the manufacturer to submit a fleet average remediation report to the Department within 60 days after the manufacturer receives notice from the Department that the manufacturer is not in compliance. The report must:
 - (a) Describe how the manufacturer intends to equalize any accrued debts;
- (b) Identify all vehicle models delivered for sale in this State, the corresponding certification levels of the vehicle models and the percentage of each vehicle model delivered for sale in this State and the state of California in relation to total fleet sales in each respective state; and
- (c) Describe how the manufacturer intends to achieve compliance with the fleet average greenhouse gas emission standard for future model years.
- Sec. 26. Within 30 days of receiving a request from the Department, a manufacturer must submit to the Department:
- 1. A copy of the California Executive Order and Certificate of Conformity for certification of new motor vehicles for each engine family to be sold in this State by the manufacturer. If these records are available electronically, the manufacturer must submit the records in an electronic format approved by the Director.
- 2. Any documentation the Department deems necessary for the effective administration and enforcement of sections 2 to 36, inclusive, of this regulation, which may include, without limitation, all certification materials submitted to CARB.

- 3. Any emissions warranty information report prepared in accordance with section 2144 of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation.
- Sec. 27. 1. For the purposes of enforcing or administering any federal or state law, order, regulation or rule relating to vehicular sources of emissions, an authorized representative of the Department or the Department of Motor Vehicles may enter any premises owned, operated, used, leased or rented by any new or used vehicle dealer in order to inspect any vehicle with a model year of 2025 or later.
- 2. Nothing in the provisions of this section or sections 2 to 36, inclusive, of this regulation limits the authority of the Department pursuant to NRS 445B.240 to enter and inspect premises.
- Sec. 28. 1. For the purposes of determining compliance with sections 2 to 36, inclusive, of this regulation, the Department may require any vehicle dealer or short-term lessor of vehicles to submit any documentation requested by the Department that the Department determines is necessary for the effective administration and enforcement of sections 2 to 36, inclusive, of this regulation.
- 2. Any person subject to the provisions of sections 2 to 36, inclusive, of this regulation must retain all records for at least 3 years from the creation of the record. Such records must be provided to the Department upon request of the Department.
 - 3. The provisions of this section do not require the creation of any new records.
- Sec. 29. 1. Beginning with model year 2025, each manufacturer of passenger cars, light-duty trucks, medium-duty vehicles and motor vehicle engines subject to the requirements

of sections 2 to 36, inclusive, of this regulation must provide to the ultimate purchaser of the vehicle and each subsequent purchaser a warranty that complies with the requirements set forth in:

- (a) Sections 2035, 2037 and 2038 of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation;
- (b) Section 2040 of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation; and
- (c) Section 2046 of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation.
- 2. Except as otherwise provided in this subsection, beginning with model year 2025, each manufacturer of passenger cars, light-duty trucks, medium-duty vehicles and motor vehicle engines must include with each new vehicle or engine manufactured the emissions control system warranty statement that complies with the requirements of section 2039 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation, except:
- (a) A manufacturer may modify the emissions control system warranty statement as necessary to inform vehicle owners of the applicability of the warranty in this State.
- (b) For the purpose of the documents required pursuant to section 2039(c) of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation, a manufacturer is only required to submit such documents upon request of the Department.
 - 3. For the purposes of this section:

- (a) "Subsequent purchaser" means any person who purchases a motor vehicle or motor vehicle engine after the ultimate purchaser.
- (b) "Ultimate purchaser" means, with respect to any new motor vehicle or new motor vehicle engine, the first person who in good faith purchases a new motor vehicle or new motor vehicle engine for purposes other than resale.
- Sec. 30. A person shall not sell or lease, offer for sale or lease, register, import, deliver, purchase, rent or otherwise acquire or receive a new passenger car, light-duty truck, medium-duty passenger vehicle or medium-duty vehicle in this State to which emission control labels and Environmental Performance labels have not been affixed pursuant to the requirements of section 1965 of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.
- Sec. 31. 1. Except as otherwise provided in subsection 2, for all passenger cars, light-duty trucks, medium-duty vehicles, and motor vehicle engines subject to an emissions-related recall in the state of California, each manufacturer shall undertake a recall campaign in this State pursuant to sections 2111 to 2135, inclusive, of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.
- 2. A manufacturer is not required to undertake a recall campaign pursuant to subsection

 1 if the manufacturer demonstrates to the Department that such emissions-related recall is not applicable to vehicles registered in this State.
- Sec. 32. 1. Beginning with model year 2025, all zero emission vehicles must be certified by the Executive Officer of CARB in accordance with section 1962.2(a) of Title 13 of the

<u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation.

- 2. Each manufacturer of vehicles must comply with the minimum ZEV credit percentage requirement for the sale of zero emission vehicles set forth in section 1962.2(b) of Title 13 of the <u>California Code of Regulations</u>, as adopted by reference pursuant to section 20 of this regulation.
- Sec. 33. 1. A manufacturer may earn early action credits for any 2022, 2023 and 2024 model year range extended battery electric vehicles, neighborhood electric vehicles, transitional zero emission vehicles and zero emission vehicles the manufacturer produces and delivers for sale in this State on or after January 1, 2022, by reporting the total production and delivery of such vehicles to the Department at the end of the 2022, 2023 and 2024 model years.
- 2. Any early action credits earned for model years 2022, 2023 and 2024 pursuant to subsection 1 will be managed by the Department and deposited into the manufacturer's account in the California ZEV Credit Reporting and Data Tracking System for use beginning in model year 2025 in accordance with section 34 of this regulation.
- Sec. 34. 1. Beginning with model year 2025, a manufacturer shall open an account in the California ZEV Credit Reporting and Data Tracking System for banking credits generated in this State. The manufacturer may deposit and earn ZEV credits for each qualifying vehicle delivered for sale in this State in accordance with this section and sections 1962.2(c), (d) and (g) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.

- 2. For use beginning in model year 2025, the Department shall deposit into the manufacturer's account in the California ZEV Credit Reporting and Data Tracking System any early action credits earned by the manufacturer pursuant to section 33 of this regulation.
- 3. For use beginning in model year 2026, once the manufacturer has satisfied all credit obligations for model years 2024 and earlier in California, the Department shall deposit into the manufacturer's account in the California ZEV Credit Reporting and Data Tracking System a number of initial credits equal to the manufacturer's 2025 model year starting California credit balance multiplied by the number of new passenger cars and light-duty trucks the manufacturer produced and delivered for sale in this State in model year 2024 and divided by the number of new passenger cars and light-duty trucks that the manufacturer produced and delivered for sale in California in model year 2024.
- Sec. 35. On or before September 1 of each year, each manufacturer must submit to the Department a report detailing the credits generated or credits transferred to or from any manufacturer for each qualifying vehicle produced and delivered for sale in this State during the previous model year. The report must be prepared in the same format as the report submitted to CARB.
- Sec. 36. 1. A manufacturer that fails to meet the credit obligation for the production and delivery of zero emission vehicles in this State in a given model year must make up the credit deficit by submitting a commensurate amount of ZEV credits to the Director pursuant to and within the time specified in section 1962.2(g)(7) of Title 13 of the California Code of Regulations, as adopted pursuant to section 20 of this regulation.

- 2. If a manufacturer fails to submit an appropriate amount of ZEV credits as required pursuant to subsection 1 and does not make up the deficit, the Director must refer the matter to the Department of Motor Vehicles. The Department of Motor Vehicles may impose an administrative fine on the manufacturer pursuant to NRS 445B.835 for each motor vehicle sold by the manufacturer for which the manufacturer did not meet its credit obligation, as determined pursuant to subsection 3.
- 3. For the purposes of the administrative fine imposed by the Department of Motor Vehicles pursuant to subsection 2, the number of vehicles for which the manufacturer did not meet the credit obligation is equal to the manufacturer's credit deficit, rounded to the nearest 1/100th and calculated according to the equation provided in section 1962(g)(8) of Title 13 of the California Code of Regulations, as adopted pursuant to section 20 of this regulation, provided that the percentage of a manufacturer's ZEV requirement for a given model year that may be satisfied with transitional zero emission vehicles or credits from such vehicles may not exceed the percentages permitted under section 1962.2(b)(2) of Title 13 of the California Code of Regulations, as adopted by reference pursuant to section 20 of this regulation.
- **Sec. 37.** This regulation, LCB File No. R093-20, is hereby amended by adding thereto the following transitory language which has the force and effect of law but which will not be codified in the Nevada Administrative Code:
- 1. Except as otherwise provided in subsection 2, the State Department of Conservation and Natural Resources shall enforce the provisions of sections 1 to 36, inclusive, of this regulation beginning on January 1, 2022, or the date the waiver of emissions standards granted by the United States Environmental Protection Agency pursuant to 42 U.S.C. §7543 to the State of

California for the emission standards adopted by California is reinstated by the United States
Environmental Protection Agency or a court of law or a new waiver is issued by the United
States Environmental Protection Agency, whichever is later. The Department shall not enforce
the provisions of sections 1 to 36, inclusive, of this regulation before that date.

- 2. The State Department of Conservation and Natural Resources shall not enforce the provisions of sections 1 to 36, inclusive, of this regulation for vehicles of model year 2025 or later unless the date that this regulation is filed with the Secretary of State occurs at least 2 years before the release of vehicles for that model year.
- 3. The State Department of Conservation and Natural Resources shall post notice of the date on which the Department is authorized to begin enforcing the provisions of sections 1 to 36, inclusive, of this regulation pursuant to subsections 1 and 2 on the Internet website of the Department and make such other efforts to notify manufacturers of motor vehicles as the Director of the Department deems appropriate.

Permanent Regulation - Informational Statement

A Permanent Regulation Related to Environmental Programs

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

State Environmental Commission Permanent No: 093-20

Permanent Regulation R093-20:

Nevada Revised Statutes (NRS) 445B.100 establishes that it is public policy of the State of Nevada and the purpose of NRS 445B.100 to 445B.640, inclusive, to achieve and maintain levels of air quality which will protect human health and safety, prevent injury to plant and animal life, prevent damage to property, and preserve visibility and scenic, esthetic and historic values of the State. It further states that it is the intent of NRS 445B.100 to 445B.640, inclusive, to require the use of reasonably available methods to prevent, reduce or control air pollution throughout the State of Nevada.

NRS 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution. NRS 445B.760 establishes the authority of the SEC to adopt standards for emissions from mobile internal combustion engines found in motor vehicles after those standards have been approved by the Department of Motor Vehicles.

SPECIFIC CHANGES:

The amendments to the Nevada Administrative Code (NAC) Chapter 445B 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 and engines 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 light-duty motor vehicles in the state that are zero emission vehicles.

The proposed regulation amends NAC 445B by 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.

1. Need for Regulation:

Governor Sisolak has directed his administration through Executive Order 2019-22 to evaluate policies and regulatory strategies, including but not limited to those identified pursuant to Senate Bill 254 from the 2019 Legislative Session, to achieve reductions in greenhouse gas emissions consistent with Nevada's commitment as a member of the U.S. Climate Alliance. That commitment includes goals agreed to by member states of reducing statewide greenhouse gas emissions 28% by 2025 and 45% by 2030 as compared to 2005 emissions. As a significant step toward achieving those goals, on June 22, 2020, Governor Sisolak announced the Clean Cars Nevada initiative.

NDEP has evaluated the Clean Cars Nevada proposal and the adoption of these new regulations will provide Nevadans with more choices for low and zero emission electric passenger cars and trucks at dealerships throughout the state beginning in 2024 with model year 2025 new vehicles. In addition to increasing consumer options, Clean Cars Nevada will help advance the State's climate change and sustainability goals and reduce harmful air pollution from cars and trucks on Nevada's roads.

Emissions of criteria pollutants (like nitrogen oxides, NOx, particulate matter, PM, and carbon monoxide, CO) from transportation are the main source of pollution in Nevada's urban areas. NOx emissions contribute to the formation of ground level ozone (smog), for which the Las Vegas valley has been designated in non-attainment by the Environmental Protection Agency (EPA); the city of Reno is in attainment for ozone, but concentrations have been very close to the non-attainment threshold in recent years.

The proposed regulation aims to reduce both greenhouse gas and criterial pollutants emissions from the fleet of vehicles sold annually by motor vehicle manufacturers in the State.

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.

Beginning December 2020, NDEP held multiple public outreach events as listed below. Recordings and presentations from these outreach efforts are posted on the Clean Cars Nevada website at https://ndep.nv.gov/air/clean-cars-nevada

Clean Cars Nevada Kick - Off	December 8, 2020	Webinar
Virtual Listening Session	January 14, 2021	Webinar
Technical Session 1 - LEV	February 23, 2021	Webinar
Technical Session 2 - ZEV	March 30, 2021	Webinar
Air Quality Impacts Analysis 1	April 27, 2021	Webinar
Air Quality Impacts Analysis 2	May 27, 2021	Webinar
Economic Impacts	June 15, 2021	Webinar
Stakeholder Presentations	June 17, 2021	Webinar

Chispa Nevada	1.1.04.0004	Bi-Lingual
Clean Cars Initiative	July 26, 2021	Webinar

Additionally, on July 28, 2021, NDEP conducted a public workshop on regulation R093-20 both virtually and in person at NDEP's offices in Carson City and Las Vegas. A total of sixty-seven (67) members of the public attended this 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: https://sec.nv.gov/meetings/sec-regulatory-meeting-september-1-2021

On August 4, 2021, the Nevada Department of Motor Vehicles (DMV) provided a letter (attached) to the State Environmental Commission stating that the DMV is in approval and support of proposed regulation R093-20, as provided for under DMV authority within NRS 445B.760 et. seq.

Following the workshop, the SEC held a formal regulatory hearing on September 1, 2021, at the Bryan Building, Second Floor Tahoe Conference Room, located at 900 South Carson Street and video-conferenced in Las Vegas at the Red Rock Conference Room, located at 375 East Warms Springs Road, Suite 200; the meeting was also accessible remotely via web and phone line. A public notice for the regulatory meeting and a copy of the proposed regulation were posted at the State Library in Carson City, at NDEP offices located in both Carson City and Las Vegas, at all county libraries throughout the state, and disseminated to the SEC email distribution list. The public notice was also physically posted at the Division of Minerals in Carson City, and the Department of Agriculture in Reno as well as on LCB, Division of Administration and SEC respective websites.

The agenda and location of supporting documents were posted at NDEP offices located in both Carson City and Las Vegas, the Division of Minerals in Carson City, at the Department of Agriculture in Reno, and on LCB, Division of Administration and SEC respective websites, and disseminated to the SEC email distribution list.

The public notice for the proposed 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's September 1, 2021, regulatory hearing. Other information about this regulation was made available on the SEC website at: https://sec.nv.gov/meetings/sec-regulatory-meeting-september-1-2021

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

- (a) Attended September 1, 2021, hearing: 77 (approximately)
- (b) Testified on this Petition at the hearing: 23
- (c) Submitted to the agency written comments: 16

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 email, public webinars, a public workshop, and regulatory hearing held on September 1, 2021, 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 proposed regulation.

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 proposed regulation will have an indirect economic effect on regulated businesses and industry; including the motor vehicle franchised dealers, automotive repair facilities, automotive 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 zero emission vehicles 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. Automotive manufacturers will incur compliance and reporting costs.

<u>Public</u>. The proposed regulation is anticipated to 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 zero emission vehicle sales will provide a much larger choice of 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 greenhouse gases and criteria pollutants from the transportation sector. This is expected to provide significant health and societal benefits, especially for those Nevadans living in areas already impacted by air pollution.

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

<u>Enforcing Agency.</u> 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 implementation. NDEP will also coordinate with the DMV 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.

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 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 adopts California standards for certain types of vehicles and model years, hence replacing the federal standards.

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 more stringent 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.

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 fees.

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2021-09-01

GUEST - Noah B Howe, Manager, Ceres GUEST - Travis Madsen (SWEEP) GUEST - Leonard B Jackson GUEST - Peter Chipman GUEST - Bethany Khan GUEST - Matt Rubin

GUEST - Andrew MacKay **GUEST - Sarah Steinberg** GUEST - Christi Cabrera **GUEST - Thad Kurowski** GUEST - Steve Douglas GUEST - Cinthia Moore GUEST - Leslie Mujica **GUEST - Simon Mui**

Meeting Particupants Providing Written Comment Advanced Energy Economy, Sarah Steinberg Consumer Reports, Alfred Artis Department of Motor Vehicles Sierra Clug Toiyabe Chapter Major Nevada Business

GUEST - Alfred Artis 2 Consumer Reports

GUEST - Elliot Malin

Natural Resources Defense Coucil, Simon Mui SWEEEP, Travis Madsen

Health Organizations

Clark County Dept. of Environment and Sustainability Reverent Leonard Jackson, Faith Organizing Aliance Washoe County Health District, Francisco Vega Morman Women for Ethical Government Reno Sparks Chamber of Commerce Bethany Khan

Department of Health and Human Services Western Resource Advocates, Matt Rubin Nevada Conservation League **Beatty Town Advisory Board** CHISPA NV, Rudy Zamora Plug In America

9/1/2021 12:41 3 hrs 40 min 9/1/2021 8:50 9/1/2021 12:00 3 hrs 11 min 9/1/2021 8:55 9/1/2021 12:38 3 hrs 44 min 9/1/2021 9:04 9/1/2021 12:41 3 hrs 38 min 9/1/2021 9:05 9/1/2021 11:59 2 hrs 55 min 9/1/2021 9:19 9/1/2021 12:31 3 hrs 13 min 9/1/2021 12:37 3 hrs 40 min 9/1/2021 13:41 4 hrs 38 min 9/1/2021 8:58 9/1/2021 10:13 1 hr 15 min 9/1/2021 9:00 9/1/2021 12:08 3 hrs 9 min 3/1/2021 11:01 9/1/2021 12:41 1 hr 41 min 3/1/2021 11:06 9/1/2021 12:42 1 hr 36 min 9/1/2021 9:04 9/1/2021 10:42 1 hr 38 min 9/1/2021 9:52 59 min 9/1/2021 11:17 9/1/2021 11:34 17 min 9/1/2021 9:17 16 min 9/1/2021 8:54 9/1/2021 8:57 9/1/2021 9:03 9/1/2021 9:01 9/1/2021 9:01 Springfield, Massachusetts, US North Las Vegas, Nevada, US San Francisco, California, US San Ramon, California, US Carmichael, California, US Spring Valley, Nevada, US Santa Rosa, California, US Spring Valley, Nevada, US Madison, New Jersey, US Hawthorne, Nevada, US San Jose, California, US Montréal, Quebec, CA Denver, Colorado, US Paradise, Nevada, US sparks, Nevada, US Reno, Nevada, US

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American Lung Association, Southern Nevada Health District, NV DHHS, Nevada Minority Health and Equity Coalition, NV Public Health Assoc., NV Chapter American Academy of Pediatrics, Nevada Nurses Assoc., Touri University NV, Pam Rehabilitation Hosiptal of Centennial Hills, and Climate Psychiatry Alliance Brand Geek,Dignity Health, Ikea, JLL, Legacy Vacation Resorts, Lithium Nevada, Lyft, Patagonia, REI, Siemens, and Uber

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Meeting Participants Providing Comments with Presentations

Francisco Vega, P.E., MBA, Director, Air Quality Management Division, Washoe County Health District Melissa Ramos, Manager, Advocacy and Clean Air, American Lung Association in Nevada Marci Henson, Director, Clark County Department of Environment and Sustainability Rudy Zamora, Program Director of Chispa Nevada at League of Conservation Voters Angie Dykema, Nevada Representative, SWEEP [Nevada Clean Cars] Marie Steele, Electrification Director, NV Energy