

NEVADA DIVISION OF ENVIRONMENTAL PROTECTION (NDEP)
Workshop to Solicit Comments on Proposed Amendments to
NAC 445B: Air Controls

September 23, 2024
2:00 PM

Bonnie B. Bryan Boardroom
1st Floor
901 South Stewart Street
Carson City, NV 89701

Red Rock Conference Room
Suite 200
375 East Warm Springs Road
Las Vegas, NV 89119

The workshop was also held virtually and was publicly accessible by video conference and phone

MEETING NOTES

ATTENDEES:

Workshop Chair:

Steve McNeece, Supervisor, Bureau of Air Quality Planning (BAQP)

NDEP Staff:

Andrew Tucker, Chief, BAQP
Emma Lintz, Environmental Scientist, BAQP
Nicholas Schlafer, Environmental Scientist, BAQP
Katherine Hansen, Environmental Scientist, BAQP
Taylor Pavlu, Environmental Scientist, BAQP
Danilo Dragoni, Deputy Administrator, NDEP

Public:

Carson City:

Deborah Kapiloff – Western Resource Advocates
Debbie Swickard – Douglas County
Vince Toomey – Q+D Construction

Las Vegas:

Caitlin Gatchalian, Southwest Energy Efficiency Project

*Virtual*¹:

Andrew MacKay	Kyle Davis	Mary Wagner
Kat Olson	Denise Hazelman	xxxxxx7538
Joshua Legrande	Ben Bryce	Brendan Schnieder
Fay Aboussleman	Kyle	Jon Kelley
Brett H	Spencer Gabe	Francisco Vega

¹ Participants are listed using their online registration. Last name and/or affiliation may not have been provided.

Scott Lee
Sarah C. – Fueling Nevada
Assemblyman Howard Watts
Mcxxxxxxxx@gmail.com
Nicki McKenzie
Ross Rivera – Ely Shoshone Tribe

xxxxxx1914
Alan
Melissa Ramos
Amanda Brazeau
Michael Greteman
Alan Spydell

Alyse Regelbrugge
Brooke Bushart
Ryan Talley
Joe Perreira
Nicole Kelleher
David Gonzales

CALL TO ORDER

Mr. Tucker called the meeting to order at 2:02 PM, explained the purpose of the Public Workshop, and introduced the staff present. Mr. Tucker explained that an updated draft of the regulations is available both in-person and on NDEP’s website. Mr. Tucker also explained a few of the differences between the old draft and updated draft. Ms. Lintz explained that the names of attendees would be collected for the record and that the meeting was being recorded. Ms. Lintz explained that virtual attendees would be muted by the moderator and how they could signal to the moderator that they had a question or comment so they could be unmuted. Ms. Lintz explained that a copy of the proposed regulations, and State Environmental Commission Forms 1 and 4, could be found on NDEP’s website.

Mr. McNeece reviewed the agenda. Mr. McNeece explained how the regulation adoption process works. The regulation adoption timeline was explained, specifying that there would be a 30-day public comment period prior to the State Environmental Commission (SEC) hearing for each set of proposed amendments. Mr. McNeece stated that unless there are substantive changes based on feedback from this workshop, permanent regulation R144-24 is expected to be heard before the December SEC hearing. Any information about the hearing can be found on the SEC website. If the regulations are adopted by the SEC, they are submitted to the Legislative Commission. If the Legislative Commission approves the regulations, they are filed with the Secretary of State and become effective. Mr. Tucker clarified that the date for the December SEC hearing has not yet been set, so the timeline may be adjusted accordingly. Mr. McNeece paused and asked if there were any questions about the regulation adoption process.

Mr. McNeece moved on to present the petition.

R144-24 SUMMARY

Mr. McNeece began by explaining the creation of the Clean Trucks and Buses Incentive Program. Assembly Bill 184 of the 82nd Legislative session established NDEP (also referred to as the Division) as the administrator of the program and set voucher amounts. It also required that NDEP adopt these regulations to set various program requirements including guidelines for managing applications and annual reporting requirements.

Mr. McNeece went over the base incentive amounts as well as bonus incentive categories and amounts as determined in NRS 445B.932.

Mr. McNeece then discussed an overview of the content of the regulation. This regulation prescribes certain requirements for medium-duty or heavy-duty truck eligibility, the application and approval processes for contractors and entities, the schedule for which the NDEP must

review applications, applicable requirements for vehicles being replaced by an eligible clean truck or bus, the voucher redemption process, and reporting required from entities that receive incentives from the Program.

Mr. McNeece described the vehicle eligibility requirements for the Program. A Clean Truck or Bus must be approved by the NDEP before purchase using an incentive from the program. Eligible vehicles must be either powered by electricity stored in a battery or produced by a hydrogen fuel cell, must produce zero exhaust emissions, and must be model year 2024 or newer. Repowered vehicles are also eligible if the existing engine is at least six model years old and is replaced with either a battery electric or hydrogen fuel cell powertrain. The repowered vehicle must also have an expected operational lifespan of 10 years.

Mr. McNeece explained contractor eligibility and the contents of an application a contractor must submit to the Division to participate in the Program. Contractors eligible to sell vehicles under this program include a truck or bus dealership that has authority to sell medium- or heavy-duty vehicles and sells complete eligible vehicles to eligible entities or vehicle-owner operators, an original equipment manufacturer (OEM) that builds and sells complete eligible vehicles directly to eligible entities or vehicle owner-operators, or a truck or bus upfit/retrofit manufacturer that has a written agreement with a medium or heavy-duty OEM, and upfits, retrofits, or performs final equipment installation on new replacement or repowered vehicles and sells the completed eligible vehicle to an eligible entity or vehicle owner-operator. Contractors must submit an application before marketing or selling vehicles under this program. The application will require general information about the contractor such as name, address, phone number, tax identification numbers, and contact information as well as evidence that the contractor meets the requirements to be an eligible contractor.

Mr. McNeece went on to explain purchaser eligibility and the contents of an application a purchaser must submit to the Division before purchasing a vehicle under this Program. Entities that are eligible to purchase clean trucks or buses using an incentive from the program must already own or operate a diesel- or gas-powered medium-duty or heavy-duty vehicle or a fleet of medium- or heavy-duty vehicles and be domiciled in Nevada. Purchasers must submit an application before purchasing a vehicle. The application will require contact information for the entity, proof that the entity is eligible, contractor information, which incentives they are requesting, vehicle information about the clean truck or bus to be purchased, vehicle information on a comparable diesel or gas vehicle, and information on a currently owned diesel or gas vehicle that may be replaced and scrapped. A contractor may submit an application on behalf of the purchaser if given written permission. Mr. McNeece paused here for questions.

Mr. McNeece continued with the presentation and detailed the timeline for reviewing and approving applications. The Division will review and approve applications for incentives on a rolling basis, as follows:

- Beginning January 1, the Division will review applications submitted between September 1 and December 31;

- Beginning March 1, the Division will review applications submitted between January 1 and the last day of February;
- Beginning June 1, the Division will review applications submitted between March 1 and May 31;
- Beginning September 1, the Division will review applications submitted between June 1 and August 31

Mr. McNeece noted a caveat that applications will open after the regulations are filed with the Secretary of State. We expect the first application period to begin in January/February of 2025 at the earliest.

Mr. McNeece went on to explain the next steps after approval of an application. Upon tentative approval of a purchaser application, the Division may require a vehicle purchaser participation agreement that details the requirements of the program to be signed by the purchaser and contractor. The Division may also require proof that the purchaser is eligible for any increases to the base incentives. After approval, vouchers are valid for one year; however, contractors may request an extension for the voucher for an additional one year.

Mr. McNeece also explained potential scrappage requirements that may arise as a result of the funding source for that vehicle purchase. The Division may require an entity to scrap a diesel- or gas-powered vehicle that will be replaced by the clean truck or bus if it is required by the voucher funding source. Scrappage means to render the diesel- or gas-powered vehicle inoperable. In lieu of scrappage, the Division may also approve an alternate method of demonstrating emissions reductions such as selling or donating the vehicle. If scrappage is required, as determined by the funding source, the Division may impose specific scrappage requirements including a timeline as well as prescribed methods. The Division may also compile a list of qualified dismantlers that must be used to complete scrappage.

Mr. McNeece explained the documentation needed to redeem a voucher. To redeem a voucher, the contractor must submit to the Division the voucher and documentation relating to the sale of the eligible vehicle. Documentation may include Manufacturer's Suggested Retail Price (or MSRP), sales invoice, photographs, Vehicle Identification Number (or VIN), registration, date the vehicle was placed into service, and if applicable, documentation relating to scrappage. Upon receipt of all final documentation, the Division will pay the contractor the full voucher amount via wire transfer.

Debbie Swickard: For scrappage/donating, can a part of the vehicle such as the engine be donated to something like a school while the rest of the vehicle gets scrapped?

Andrew Tucker: Scrappage requirements will depend on the specific requirements of the funding source. This program currently has funds that were identified and allocated through the Carbon Reduction Program which may have requirements for scrappage. It may prescribe how they want scrappage done and if a situation arises where we want to deviate from the prescribed scrappage, we may discuss with the Federal Highway Administration on if a specific deviation is acceptable. If other funding sources are identified, scrappage would be determined on a case-by-case basis.

Finally, Mr. McNeece explained reporting and other programmatic requirements required after the vehicle has been purchased. An entity must own and operate the clean trucks and buses purchased through this program for at least three years after the date of purchase. The vehicle must also be continuously registered and domiciled in Nevada during this period. Purchasers must submit an annual report to the Division each year for three years after purchase of an eligible clean truck or bus. These reports must be submitted between September 1 and September 30 of each year and must include the VIN and registration, annual mileage and fuel use, routes traveled, and domicile location. Failure to comply with program requirements may result in a refund being issued to the Division. This would be contained and acknowledged in the participant agreement.

Ms. Lintz then opened the floor for questions and comments and explained the order in which questions would be taken. Ms. Lintz posted the link to NDEP's website with relevant forms again for people who may have been late to join.

COMMENTS AND QUESTIONS

Vince Toomey: Right now, NDEP is coming with more carrot than stick. Is there a timeline or any discussion about making it mandatory to remove internal combustion engines?

Andrew Tucker: At this point, there's no intention of bringing the stick in, as you say, and making it mandatory. As of right now, this is a voluntary incentive program for entities that want to adopt the technology.

Deborah Kapiloff: We have a public comment, I'll go ahead and read it. My name is Deborah Kapiloff and I'm the Transportation Electrification Policy Advisor for Western Resource Advocates. I'm here today speaking on behalf of WRA in support of the Clean Trucks and Buses Incentive Program. I appreciate NDEP's work on crafting these regulations in line with the statutory intent of Assembly Bill 184 and their work with stakeholders on the development of these regulations. I am eager to see the incentive program forward and begin helping transit agencies, school districts, and fleets electrify their medium and heavy-duty vehicles in the near future. Thank you.

Andrew Tucker: Thank you for your comment.

Debbie Swickard: I'd like to piggyback on Vince's comment. Until something is mandatory, or until you say by this date you need to have started this process, it's not going to be taken seriously. I know for me, I'm getting pushback. I'm getting comments like "over my dead body". So, unless it's something that tells them what to do, it's an uphill battle.

Andrew Tucker: Thank you for your comment.

Caitlin Gatchalian: My name is Caitlin Gatchalian, and I am the Nevada representative for Southwest Energy Efficiency Project, or SWEEP for short. Thank you so much for having this workshop today. SWEEP is excited to support the adoption of these regulations. It is a great opportunity for fleets to save money and can unlock opportunities for business in Nevada. This regulation aligns well with the purpose of the Bipartisan Infrastructure Law's Carbon Reduction

Program because it will support the acceleration of Nevada's transition to zero emission trucks. We appreciate the administration's work to establish the program and look forward to working with all stakeholders to ensure it succeeds. Thank you.

Andrew Tucker: Thank you for your comment.

Andrew MacKay: For the record, my name is Andrew MacKay and I'm the executive director of the Nevada Franchised Auto Dealers Association. I just want to put it on the record and thank everyone for the effort of putting these regulations together. As referenced earlier, the biggest impediment of moving medium and heavy-duty truck sectors into electrification is cost. They are expensive. Kudos to Assemblyman Watts for moving it forward during the session last year. This is quite frankly going to be wildly successful. Let's just hope that the feds continue to put money into it. But I just wanted to reach out and thank everybody for their efforts on this and pushing these regulations forward and we fully support your efforts.

Andrew Tucker: Thank you for your comment.

Melissa Ramos: Good afternoon, my name is Melissa Ramos. I'm the senior manager for clean air advocacy for the American Lung Association. I appreciate the opportunity to make comments in support of the proposed regulation which will advance more adoption of zero emission trucks and buses in Nevada. As a leading public health nonprofit, we advocate for policies that reduce harmful air pollution and protect the well-being of Nevadans. Our annual State of the Air report shows Nevada's cities, Las Vegas and Reno, rank among the top 25 cities most polluted for ozone, short term and annual particle pollution levels and climate change is making clean air progress more difficult. Exposure to these pollutants can lead to negative health consequences, including worsened asthma attacks or COPD, ER visits, missed school days for kids, and lost workdays for parents. 95% of Nevada residents live in a county with at least one failing air quality grade, and the burden of air pollution disproportionately impacts children, seniors, low income, and people of color. By offering incentives to purchase zero emission medium and heavy-duty vehicles, we can accelerate the clean air and climate benefits so that all Nevadans can enjoy the real-world benefits of healthier air. The American Lung Association encourages NDEP to move quickly to adopt and implement the Nevada Clean Truck and Bus Incentive Program for a healthier and more sustainable future. Thank you.

Andrew Tucker: Thank you for your comment.

Assemblyman Howard Watts: Thank you. I just first wanted to thank the Division for all their hard work in terms of developing the regulations and get this program deployed. I know that you've been working hard, and I appreciate it, and I thought this workshop was very well done and very informational. I think these regulations align with the intent of the legislation and I also want to express my support for everyone who has participated in this process since the legislative session and to everyone who participated in the workshop today. Thank you.

Andrew Tucker: Thank you for your comment.

Mr. Tucker asked if there were any more questions from anyone attending either in person or virtually. There being no more questions or comments, Mr. Tucker thanked everyone for joining and participating and adjourned the meeting at 2:27 pm on September 23, 2024.