October 19, 2018

Ms. Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Mr. Richard Corey
Executive Officer, California Air Resources Board
1001 I Street
Sacramento, CA 95814

**RE: San Joaquin Valley Mobile Source Supplement to the 2016 State Implementation Plan**

Chair Nichols and Mr. Corey,

On behalf of the Central Valley Air Quality Coalition (CVAQ) and partners, we present the following comments on the California Air Resources Board (CARB) San Joaquin Valley Supplement to the 2016 State Implementation Plan (SIP). This supplement addresses mobile source emission reductions needed to attain the 1997, 2006, and 2012 federal standards for particulate matter pollution that is 2.5 microns or smaller (PM2.5). Below we outline the strengths and weaknesses of the plan, and CVAQ's proposed suggestions for plan improvement.

The following are ***strengths*** of CARB's Mobile Source Plan:

- **CARB worked collaboratively with the San Joaquin Valley Air District and advocates to create a stronger PM2.5 Plan**. CARB staff made themselves available for

monthly meetings with advocates and hosted numerous public workshops over the past 2-year planning period.

- **CARB committed to additional NOx reductions** above and beyond the 2016 State Implementation Plan (SIP) commitments.

- **The majority of mobile-source reductions needed to meet the PM2.5 standards will come from regulatory actions** associated with ongoing implementation of existing control programs and new regulatory measures identified in the Valley's SIP supplement.

- **CARB committed to develop an agricultural tractor rule**, the first of its kind in California and a decade-long advocate request.

- **CARB further tailored off-road equipment measures to the San Joaquin Valley**, including incentives for oil drill rigs as requested by advocates.

- **CARB staff continues to host conversations with advocates** concerning ways in which the plan can be improved, including upcoming conversations around mobile source enforcement activities.

The following are ***weaknesses*** of CARB's Mobile Source Plan:

- **The proposed plan relies on *billions* of dollars of incentive funding, most of which has no identified funding source.** $3.3 billion is required for the accelerated turnover of trucks and buses, $1.4 billion is needed for accelerated turnover of agricultural equipment, and $170 million is required to turnover off-road equipment. Dollars needed are well in excess of current or prospectively scheduled future appropriations and represent a significant increase in public incentive funding from the state.

- **Emission-reduction commitments in aggregate are not appropriate for PM2.5 planning**. The Clean Air Act requires enforceable emission limitations, and such other control measures, means or techniques as necessary to provide for attainment. The plan cannot rely on general commitments to adopt those elements at some later date in order to achieve some level of emission reduction. Such open-ended commitments amount to the creation of a "black box" that promises emission reductions without specifying how. While there is some flexibility in the Clean Air Act provisions related to ozone for adoption of future control measures, there is no similar flexibility for PM plans.

- **The proposed plan assigns emission reductions to the federal government.** Almost one ton of $NO_x$ reductions per day (tpd) are expected from a future federal low-$NO_x$

standard and more stringent national locomotive standards. We should not expect or rely on federal action to achieve attainment, especially considering the current administration's efforts to rollback clean-air standards and regulations.

- **The proposed plan relies on state legislative action.** Implementation of the *Heavy-Duty Vehicle Inspection and Maintenance Program* measure (I&M Program) requires state legislative action. The bill that would have mandated this program, SB 210 (Leyva, 2018), failed this legislative session, and prospects for passage remain uncertain.

- **The proposed plan may be based on an inaccurate inventory of $NO_x$ emissions in the San Joaquin Valley.** Recent research conducted by the University of California, Davis reported fertilized soils in the Central Valley are a previously unrecognized source of nitrogen oxide - potentially increasing the $NO_x$ budget by 20 to 51%.[1] If this study is correct, the current strategy of focusing exclusively on $NO_x$ and ignoring ammonia emissions will not be as effective as modeled, perhaps achieving only half the expected reductions in ambient PM2.5 concentrations.

The following are ***suggestions*** to improve CARB's Mobile Source Plan:

- **Backstop measures**: Per EPA guidance, state plans cannot rely on voluntary incentive programs without also including backstop measures should those incentive programs fail to achieve the targeted reductions. Such backstops are particularly necessary here where there is a high likelihood that the incentive funds may never materialize. CARB should commit to additional backstop measures to cover the expected emission reductions that are not subject to an existing or proposed CARB regulation.

- **Annual updates**:
  - CARB staff should report to their Board annually regarding research concerning agricultural sources of $NO_x$ in the Valley, and be prepared to update the emissions inventories and re-open the PM2.5 plan to address $NO_x$ from fertilized fields. During this update, the significance of ammonia reductions as a control strategy for PM2.5 should be re-examined.
  - CARB staff should report to the Board annually on incentive funding and emission reductions garnered to date, as well as identified funding sources for the following year. If a funding shortfall is identified, CARB and the District should be prepared to strengthen or impose new regulatory measures.

[1] http://advances.sciencemag.org/content/4/1/eaao3477

- **Develop Heavy-Duty I&M Program Now**: CARB should clarify their existing regulatory authority over this program and start development of the program now.

- **Strengthen Targets; Move Faster:**
  - Agricultural Tractors: Attainment of the Valley's PM standards is required by no later than 2025. Implementation of a backstop regulation for the turnover of agricultural equipment should therefore be set at 2025, not 2030. We ask CARB to move up action and implementation of an agricultural tractor rule by five years.
  - Last-Mile Delivery Trucks: CVAQ and partners are very supportive of CARB's work around zero-emission drayage and last-mile delivery trucks and bus fleets. Electrifying light-duty trucks that operate in communities will greatly reduce diesel PM exposure. We ask CARB to develop this rule as expeditiously as possible, to institute more aggressive purchase requirements, and institute a zero-emission drayage and last-mile delivery truck rule. We also ask for targeted outreach in the San Joaquin Valley's most disadvantaged and overburdened areas, as well as a focus on agricultural operations that are primed for electrification. For instance, the dairy industry has several thousand daily milk deliveries to nearby processing plants that occur throughout the year. The feed mills also make hundreds if not thousands of daily deliveries to dairies. These are short trips where trucks could be electrified and charging could be available at the processing sites or the feed mills.

- **Develop Plan for In-Use Diesel Trucks**: SB1 protects in-use trucks from new retirement, replacement, retrofit, or repower regulations for their defined useful life, but nothing protects these trucks beyond that period. SB1 also added section 4000.15 to the California Vehicle Code which directs the Department of Motor Vehicles to deny registration renewal to certain older trucks beginning in 2020. CARB should outline a plan for ensuring that older trucks in nonattainment areas like the Valley are retired once their protected useful life ends. SB1 also does not protect existing trucks from use restrictions. CARB's in-use truck plan should identify opportunities to restrict the use of the dirtiest trucks in locations and operations that contribute to nonattainment.

- **Targeted Investments**:
  - Focused Investments in DACs: We ask CARB and the District to direct incentive funding, especially funding designated for heavy-duty diesel truck turnover, to projects that will reduce diesel exposure in severely disadvantaged communities. Means of targeting investment could include (1) focusing on areas impacted by high levels of diesel exposure as defined by the diesel pollution indicator under CalEnviroScreen, (2) focusing on the top 5% or top 10% of communities determined as most disadvantaged under CalEnviroScreen, (3) targeting outreach

to facilities that attract or house trucks that operate in or near communities, and/or (4) focusing investment according to community feedback and concerns.

- ➢ Transparency & Accountability: Both CARB and the Air District should improve transparency around funding decisions, including posting publicly where and how money is spent, and work towards directing funding to community-supported priorities. CARB should set requirements that community feedback guide funding decisions, and require Districts to publicly provide comment logs regarding community feedback on various funding pots.

- ❖ **Strengthen Enforcement**: Approximately 7 tpd $NO_x$ reductions are expected from CARB's Lower In-Use Emission Performance Level Measures. Achieving real reductions relies on enforcement of these and CARB's many other mobile-source measures. We ask CARB to increase enforcement resources directed to the San Joaquin Valley, with a special focus on severely overburdened communities.

- ❖ **Consider Fleet Rules:** The Governor has directed CARB to explore options for accelerating the electrification of fleets. CARB's plan should include commitments for completing these rules. In addition to the drayage and last-mile delivery purchase rules noted above, immediate targets for fleet rules should include state and municipal fleets. Rules for public fleets, in particular, can be developed quickly because they do not require preemption waivers from the EPA. Such measures would address existing trucks and equipment, and would benefit the communities in which these trucks operate.

- ❖ **Develop Stronger Contingency Measures**: Available contingency measures that are long-overdue for the Valley include: retirement of banked emission reduction credits; expanded use restrictions for mobile sources; accelerated purchase requirements for municipal fleets; and $NO_x$ emission fees on stationary source. Contingency measures could also target ammonia sources. While CARB's current conclusion is that ammonia controls are not as effective as $NO_x$ controls, these sources remain "low-hanging fruit" for regulatory controls.

In summary, we thank the California Air Resources Board and staff for their extensive and collaborative work on the Valley's PM2.5 Plan. Without the efforts of the Board and staff, the San Joaquin Valley would likely have no plan for attainment, only further health-threatening delay. We appreciate the Plan brought forward, but do note the many contingencies upon which it relies, such as uncontrollable state and federal action and an unpredictable economy. In the advent of changing state funding priorities, an uncooperative federal administration, or a downturn in the economy or the cap-and-trade auction proceeds, CVAQ and our partners push CARB to develop strong regulations and contingency measures to ensure attainment none-the-less. Thank you for considering our comments.

Sincerely,

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