

Office of the Executive Officer Barry Wallerstein, D.Env. 909.396.2100, fax 909.396.3340

November 14, 2008

Mr. James Goldstene Executive Officer California Air Resources Board 1001 I Street Sacramento, CA 95812

Dear Mr. Goldstene:

SCAQMD Staff Comments on the California Air Resources Board Proposed Amendments to the Current Regulation for Small Off-Road Engines

The South Coast Air Quality Management District (SCAQMD) staff appreciates the opportunity to provide comments on California Air Resources Board's (CARB's) proposed amendment to the small off-road engines regulations. Due to their large population and wide range of uses, these engines remain an important source of air pollutant emissions in the South Coast Air Basin (Basin). Achieving the attainment deadlines of 2015 and 2024 for the federal annual $PM_{2.5}$ and 8-hour ozone ambient air quality standards, respectively, remains a significant challenge in our Basin. Therefore, emission reductions from this source category are critical in our efforts to attain federal air quality standards.

CARB staff is proposing amendments to the Small Off-Road Engines (SORE) regulation that includes: termination of production credits, limiting the life of certification credits, introduction of zero-emission equipment credits, and miscellaneous modifications to harmonize the regulation with the equivalent U.S. EPA regulation. AQMD staff supports CARB staff's proposal to eliminate production credits, as we strongly believe that the production credits are not necessary. The credits were never used as designed to offset compliance problems and, in addition, their use has resulted in higher emissions by allowing manufacturers to delay compliance with the current standards, while cost-effective technology is available to meet the standards.

AQMD staff believes it is essential that the life of certification credits be limited to five years (the useful life of SORE equipment) to ensure that the necessary reductions needed to meet the 2015 PM2.5 and 2024 8-hour ozone attainment deadlines are realized. Unlimited credit life would result in credits for reductions that would have occurred anyway at the end of a piece of equipment's useful life when that equipment would be replaced by a new cleaner piece of equipment. Allowing manufacturers to credit these "anyway" reductions and use them to certify higher-emitting engines than allowed by the standards, delays the introduction of expected emission reductions and slows progress toward cleaner engines and improved air quality. Any delay in emission reductions jeopardizes the attainment of required ambient air quality standards in the Basin. AQMD staff strongly supports CARB staff's recommendation to limit the certification credits to a five-year lifetime.

Relative to the proposed zero-emission equipment (ZEE) credit, AQMD staff strongly supports the overall concept of incentivizing, through emission credit generation, the use of professional and commercial level ZEE to encourage earlier adoption of future technologies and to further reduce emissions from the SORE category. The commercial and professional sector is responsible for the majority of the SORE emissions and early introduction of ZEE would yield substantial emission reductions. However, AQMD staff recommends that CARB include an additional requirement to the proposed ZEE performance standard (that they must perform at the same level as commercial gasoline-powered equipment before receiving credits). In recognition that this criterion may pose challenges in accelerating the introduction of future ZEE technologies into the market, we recommend that some intermediate form of credit generation be allowed for an interim period of time for equipment that may not entirely meet the proposed performance standards (similar to the partial zero-emission-vehicle category in the CARB LEV program). This would allow manufacturers to gain critical real-world experience and ensure successful introduction of ZEE technology with its associated emission reductions. We would stress that this partialzero-emission crediting be allowed for a brief period of time to allow the ZEE technologies to mature.

Thank you again for the opportunity to provide these comments. If you have any questions about these comments, please feel free to call either myself or Henry Hogo, Assistant Deputy Executive Officer - Mobile Source Division, Science and Technology Advancement, at 909-396-3184.

Sincerely,

Barry R. Watterstein, D.Env.

Executive Officer

CSL:HH:RP:AHY