

**CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
AIR RESOURCES BOARD**

STAFF REPORT

**PUBLIC MEETING TO CONSIDER FINDINGS ON AB 2637 VEHICLE
EXEMPTIONS FROM THE BASIC SMOG CHECK PROGRAM**

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Executive Summary

Assembly Bill (AB) 2637 (Cardoza, Stats. 2002, Ch. 1001), enacted in September 2002, establishes an Enhanced Smog Check program in the San Francisco Bay Area Air Basin (Bay Area). AB 2637 also extends the current four-year Smog Check exemption for new motor vehicles to six years, statewide, with the goal of minimizing the burden of the program on vehicles less likely to fail an inspection. The increased exemption is to become effective in all Basic and Enhanced Smog Check areas, unless the Air Resources Board (ARB or Board) finds that exempting the additional vehicles would prohibit the State from meeting the requirements of the section 176(c) of the federal Clean Air Act or California's commitments with respect to the State Implementation Plan (SIP).

At its April 24, 2003 hearing, the Board determined that in order for California to meet its SIP obligations, it would be necessary to exclude Enhanced Smog Check areas from the six-year exemption. The Board also directed the Executive Officer to investigate whether providing the six-year exemption to Basic Smog Check areas within these same federal nonattainment areas would interfere with the State's SIP commitments.

The staff's analysis indicates that in severe or extreme federal ozone nonattainment areas, exempting five- and six-year old vehicles in Basic Smog Check areas from biennial inspections would interfere with the State's ability to meet its SIP commitments. The staff therefore recommends that the Board exclude from the six-year exemption, vehicles in Basic Smog Check in all areas that are classified as severe or extreme ozone nonattainment areas under the federal Act.

If the Board concurs with this determination, vehicles in Basic Smog Check areas within the South Coast, Southeast Desert, Sacramento Metropolitan, San Joaquin Valley, and Ventura County federal ozone nonattainment areas would be exempt from biennial inspections for the first four years of the vehicle's life. Vehicles in all other Basic Smog Check areas would be exempt for the first six years.

Background

The Enhanced Smog Check Program was established in 1998 to increase the emission reductions achieved by the State's in-use vehicle inspection program. The Enhanced Smog Check Program includes loaded-mode (dynamometer-based) testing, and directs selected vehicles to test-only stations. The Enhanced Smog Check Program was limited to areas classified as serious, severe, or extreme ozone nonattainment areas under the federal Clean Air Act. Because the Enhanced Program was automatically established only in urban areas, there are also areas within the federal serious, severe, or extreme ozone

nonattainment areas that are subject only to the Basic Smog Check requirements.

In 2002, the State Legislature passed, and Governor Davis signed into law, a bill that required the establishment of an enhanced Smog Check Program in the urbanized areas of the San Francisco Bay Area Air Basin. AB 2637 also amended Section 44011(a)(4)(B) of the California Health and Safety Code (HSC) to extend the provisions exempting new vehicles from the state's Smog Check Program for an additional two years (i.e. for up to the first six years of a car's life rather than four). The bill specified that the increased exemption would take effect in all Smog Check areas beginning January 1, 2004, unless ARB finds that exempting the additional vehicles would prohibit the State from meeting the requirements of the section 176(c) of the federal Clean Air Act or California's commitments with respect to the SIP.

ARB staff, working with a consultant, evaluated the emissions impact of extending the new vehicle exemption from four to six years in Enhanced Smog Check areas. The staff determined that providing the six-year exemption in areas subject to the Enhanced Smog Check Program would prevent the Board from meeting its federal Clean Air Act commitments. At its April 24, 2003 public meeting, the Board concurred with the staff's finding that Enhanced Smog Check areas should be excluded from the six-year exemption.

The Board further directed staff to determine whether exempting Basic Smog Check areas, within nonattainment areas that are also subject to the Enhanced Smog Check program, would similarly prevent the State from meeting its SIP commitments. This report addresses the Board's question.

Additional Areas Considered for Exclusion

There are six federal ozone nonattainment areas within California in which both the Basic and Enhanced Smog Check programs are being implemented. These areas are listed below with their federal ozone standard attainment status.

- South Coast Air Basin (Nonattainment/Extreme)
- Mojave Desert/ Southeast Desert Modified Air Quality Management Area (AQMA) (Nonattainment/Severe)
- Sacramento Metropolitan Nonattainment Area (Nonattainment/Severe)
- San Joaquin Valley (Nonattainment/Severe)
- Ventura County (Nonattainment/Severe)
- San Diego County (Nonattainment/Serious)
- San Francisco Bay Area (Attainment/Unclassifiable)

Criteria for Excluding Areas from the Six-Year Exemption

AB 2637 directed the Board to exclude vehicles from the six-year exemption if the longer exemption would prohibit the State from meeting the transportation conformity requirements of federal Clean Air Act section 176(c). Since transportation conformity is linked to compliance with the federally approved SIP, the fundamental issue is the State's ability to meet its SIP obligations.

California's 1994 Ozone SIP update established motor vehicle emission reduction commitments, and attainment date commitments, for those parts of the State that exceed the federal one-hour ozone standard. Enhanced Smog Check was a critical element of the 1994 SIP; statewide it was responsible for fully one-fourth of the emission reductions needed by 1999.

ARB recently updated the motor vehicle emissions model (EMFAC) used in the 1994 SIP. EMFAC2002 shows that in all parts of the State, motor vehicle emissions are higher than anticipated in the 1994 SIP. Most local nonattainment area plans have been updated in the past year or will be updated in the coming year to address the higher motor vehicle emissions projected by EMFAC2002. When emissions are higher than expected, additional emission reductions are needed to meet the attainment targets and deadlines. The six-year exemption will increase motor vehicle emissions at a time when additional motor vehicle emission reductions are needed.

Areas Where the Exemption Will Interfere With Meeting the State's SIP Commitments

South Coast Air Basin (*Extreme*) Although the South Coast Air Quality Management District (SCAQMD or District) has been actively bringing the areas under its jurisdiction into the Enhanced Smog Check program, a small area in the northernmost part of the District remains in the Basic program. The SCAQMD's Draft 2003 Air Quality Plan indicates there will be a "black box"--that is, the agencies responsible for bringing this area into attainment have not yet identified all of the measures needed to assure attainment by the 2010 Clean Air Act deadline. Since this nonattainment area has a sizeable "black box," extending the six-year exemption to Basic Smog Check areas in the South Coast nonattainment area is inconsistent with the State's commitment to attain the ozone standard by 2010.

Mojave Desert Air Basin Portion of the Southeast Desert Air Quality Maintenance Area (AQMA) (*Severe*) This ozone nonattainment area includes the eastern portion of Los Angeles County and the southwest portion of San Bernardino County. Enhanced Smog Check is in effect in the Los Angeles County portion, and in the urbanized area in the southwestern San Bernardino County. The remainder of the ozone nonattainment area is subject to the Basic Smog Check

program. The far eastern portion of San Bernardino County is outside of the Southeast Desert AQMA, and is not subject to Smog Check requirements.

Because this part of the Mojave Desert Air Basin still exceeds the federal one-hour ozone standard, extending the Smog Check exemption to Basic Smog Check areas in San Bernardino County could prohibit the State from meeting its SIP obligations.

Sacramento Metropolitan Nonattainment Area (Severe) The Sacramento Metropolitan Air Quality Management District, most of the Yolo-Solano District, the westernmost portion of Placer County, and the urbanized portion of El Dorado County are subject to the Enhanced Smog Check Program. The Basic Smog Check program is in effect in Southern Sutter County, which is in the Sacramento Metropolitan Nonattainment Area for ozone planning purposes. The Basic Program is also in effect in the rural portions of Placer and El Dorado Counties that are within the Sacramento Metropolitan Nonattainment Area.

The Sacramento Metropolitan Nonattainment Area SIP will be updated in 2004 to incorporate EMFAC2002. It is anticipated that this region will need all available emission reductions in order to demonstrate attainment of the federal ozone standard by 2005. Since motor vehicles are by far the largest source of ozone precursors in the Broader Sacramento Area, providing the six-year exemption to Basic Smog Check areas within this region is likely to interfere with the State's ability to meet its SIP obligations.

San Joaquin Valley (Severe) The San Joaquin Valley Air Pollution Control District has been actively transitioning areas from Basic to Enhanced Smog Check as population growth allows, in order to achieve the maximum reductions from the Smog Check Program. Nevertheless, large parts of the Valley remain in the Basic program because they are not in or adjacent to an urbanized area.

The San Joaquin Valley is currently classified as severe for ozone, but will consider a request for reclassification to "extreme" in September 2003 to reflect the severity of its ozone problem. The Valley's upcoming attainment demonstration plan is expected to have a sizeable "black box." Because this area is not expected to attain the ozone standard by the current 2005 federal deadline, and will likely rely on a sizeable "black box" in its extreme ozone nonattainment area plan, extending the six-year exemption to Basic Smog Check areas in the San Joaquin Valley Nonattainment Area is inconsistent with meeting the State's SIP obligations.

The San Joaquin Valley also needs additional motor vehicle reductions to attain the federal PM10 standard by the 2006 deadline.

Ventura (Severe) The southern part of Ventura County is in an Enhanced Smog Check Program. Although the Los Padres National Forest (not subject to any

Smog Check program) dominates the northern portion of the County, there are two Basic Smog Check areas on the County's northern border, adjacent to the southern San Joaquin Valley. Ventura County is a severe nonattainment area with a 2005 attainment deadline. The current federally approved SIP relies on the emission reductions from all measures identified in the County's attainment demonstration, including the Smog Check program without the six-year exemption. Therefore Basic Smog Check areas within Ventura County should be excluded from the six-year exemption.

Other Areas Evaluated

San Francisco Bay Area (*Unclassifiable*) Urbanized portions of the Bay Area District will be subject to the Enhanced Smog Check Program beginning next year under the provisions of AB 2637. The Bay Area now qualifies for redesignation to attainment for the federal one-hour ozone standard and is in the process of developing a SIP revision. Accordingly, staff cannot make a finding at this time that it is necessary to exclude the vehicles in the Basic Smog Check portion of the Bay Area from the six-year exemption in order to ensure compliance with the SIP.

San Diego (*Serious*) San Diego County has attained the federal one-hour ozone standard and adopted an ozone maintenance plan and request for redesignation to attainment. ARB adopted and submitted the maintenance plan and redesignation request to the United States Environmental Protection Agency (U.S. EPA) as a revision to California's SIP. U.S. EPA expects to approve the maintenance plan and redesignation request this summer. Implementation of the exemption would not interfere with the attainment demonstration and maintenance plan. Accordingly, staff cannot make a finding at this time that it is necessary to exclude the vehicles in the Basic Smog Check portion of San Diego County from the six-year exemption in order to ensure compliance with the SIP.

Recommendation

The staff recommends that the Board determine that extending the six-year exemption to Basic Smog Check areas within the South Coast, Sacramento Metropolitan, San Joaquin Valley, and Ventura federal ozone nonattainment areas, and the Mojave Desert portion of the Southeast Desert AQMA Nonattainment Area, would prohibit the State from meeting its SIP commitments.

The staff recommends that the Board determine that extending the six-year exemption to Basic Smog Check areas within the San Diego and San Francisco Bay Area federal ozone nonattainment areas will not prohibit the State from meeting its SIP commitments.

The staff further recommends that the Board direct the Executive Officer to convey these findings to the Bureau of Automotive Repair.