TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE ALTERNATIVE FUEL CONVERSION CERTIFICATION PROCEDURES FOR ON-ROAD MOTOR VEHICLES AND ENGINES

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider amendments to the Alternative Fuel Conversion Certification Procedures for On-Road Motor Vehicles and Engines.

DATE: September 26, 2013

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., September 26, 2013, and may continue at 8:30 a.m., on September 27, 2013. This item may not be considered until September 27, 2013. Please consult the agenda for the hearing, which will be available at least 10 days before September 26, 2013, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW PURSUANT TO GOVERNMENT CODE 11346.5(a)(3)

Sections Affected: Proposed amendments to California Code of Regulations (CCR), title13, sections 2030 and 2031, including the incorporated by reference test procedure "California Certification and Installation Procedures for Alternative Fuel Retrofit Systems for Motor Vehicles Certified for 1994 and subsequent Model Years and for all Model Year Motor Vehicle Retrofit Systems Certified for Emission Reduction Credit" last amended November 21, 1995 and proposed new test procedure "California Certification and Installation Procedures for Alternative Fuel Retrofit Systems for On-Road Motor Vehicles and Engines," which would be incorporated by reference in CCR, title 13, sections 2030 and 2031.

Documents Incorporated by Reference:

The following documents are incorporated by reference in the proposed new test procedure "California Certification and Installation Procedures for Alternative Fuel Retrofit Systems for On-Road Motor Vehicles and Engines":

Code of Federal Regulations (40CFR), Part 86.1313-2007, dated July 01, 2011.

The American Society for Testing and Materials (ASTM) test method ASTM Test Method Number D1945-03(2010), referenced in 40 CFR, Part 86.1313-2007, dated July 01, 2011.

California Code of Regulations, Title 13 CCR § 2292.6, as amended December 08, 1999.

The following ASTM test methods incorporated by reference in Title 13, CCR, § 2292.6.

- ASTM Test Method Number D 2163-87, Standard Test Method for Analysis of Liquefied Petroleum (LP) Gases and Propene Concentrates by Gas Chromatography
- ASTM Test Method Number D 1267-89, Standard Test Method for Vapor Pressure of Liquefied Petroleum (LP) Gases (LP-Gas Method)
- ASTM Test Method Number D 2598-88, Standard Practice for Calculation of Certain Physical Properties of Liquefied Petroleum (LP) Gases from Compositional Analysis
- ASTM Test Method Number D1837-86, Standard Test Method for Volatility of Liquefied Petroleum (LP) Gases
- ASTM Test Method Number D 2158-89, Standard Test Method for Residues in Liquefied Petroleum (LP) Gases
- ASTM Test Method Number D1838-89, Standard Test Method for Copper Strip Corrosion by Liquefied Petroleum (LP) Gases
- ASTM Test Method Number D 2784-89, Standard Test Method for Sulfur in Liquefied Petroleum Gases (Oxy-Hydrogen Burner or Lamp)
- ASTM Test Method Number D 2713-86, Standard Test Method for Dryness of Propane (Valve Freeze Method)

U.S. Environmental Protection Agency (U.S.EPA) Advisory Circular 17F, dated November 16, 1982, updated January 21, 1988.

U.S. EPA National Vehicle and Fuel Emissions Laboratory guidance letter CD-12-07 (Revised) for Assigned Deterioration Factors, dated March 30, 2012.

ARB test procedure "California 2001 through 2014 Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2009 through 2016 Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles," as amended December 6, 2012.

ARB test procedure "California Non-Methane Organic Gas Test Procedures," as amended December 6, 2012.

ARB test procedure "California Exhaust Emission Standards and Test Procedures for 2005 through 2008 Model Zero-Emission Vehicles, and 2001 through 2008 Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," as amended December 02, 2009, and incorporated by reference in title 13, CCR, § 1962.

ARB test procedure "California Exhaust Emission Standards and Test Procedures for 2009 through 2017 Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," as amended December 6, 2012, and incorporated by reference in title 13, CCR, § 1962.1.

ARB test procedure "California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," adopted March 22, 2012, as last amended December 6, 2012, and incorporated by reference in title 13, CCR, § 1962.2.

ARB test procedure "California 2001 through 2014 Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2009 through 2016 Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles," as amended December 6, 2012, and incorporated by reference in title 13, CCR, § 1961(d).

ARB test procedure "California 2015 and Subsequent Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2017 and Subsequent Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles," as amended December 6, 2012.

ARB test procedure "California Evaporative Emission Standards and Test Procedures for 2001 and Subsequent Model Motor Vehicles" adopted August 5, 1999, as last amended March 22, 2012, and incorporated by reference in title 13, CCR, § 1976(c).

ARB test procedure "California Refueling Emission Standards and Test Procedures for 2001 and Subsequent Model Motor Vehicles," adopted August 5, 1999, as amended March 22, 2012, and incorporated by reference in title 13, CCR, § 1978(b).

ARB test procedure "California Exhaust Emission Standards and Test Procedures for 2004 and Subsequent Model Heavy-Duty Diesel-Engines and Vehicles," as amended April 18, 2013.

ARB certification procedure "California Interim Certification Procedures for 2004 and Subsequent Model Hybrid-Electric Vehicles, in the Urban Bus and Heavy-Duty Vehicle Classes," adopted October 24, 2002.

The ARB test procedures for determining compliance with standards in title 13, CCR, § 1956.8(c)(1)(A) or (c)(1)(B) are set forth in the "California Exhaust Emission Standards and Test Procedures for 2004 and Subsequent Model Heavy-Duty Otto-Cycle Engines," as amended April 18, 2013.

Background and Effect of the Proposed Rulemaking:

The increased market availability of low priced natural gas has resulted in more interest in converting light-, medium-, and heavy-duty vehicles and engines to operate on compressed natural gas and liquefied petroleum gas. The California Natural Gas

Vehicle Coalition and other alternative fuel advocates have requested that ARB update its current regulation governing alternative fuel conversion certification procedures for on-road motor vehicle retrofits, for both new and used vehicles and engines. Specific requests include: simplifying the application and approval process, providing additional time to sell conversions as "new" vehicles or engines, adding flexibility to the alternative fuel certification requirements, and streamlining the testing and demonstration requirements to allow small volume conversion manufacturers to demonstrate compliance in less time and at a lower cost.

Staff believes that providing the additional flexibility requested by industry is warranted, and is therefore proposing to amend the current alternative fuel conversion certification procedures. The proposed amendments would retain testing and demonstration requirements for the most important components of emission control systems and would waive many of the test requirements for small volume conversion manufacturers provided they can demonstrate that their alternate fuel conversion systems do not significantly alter vehicles or engines previously certified in California. The proposed amendments would also provide alternative fuel conversion manufacturers options to demonstrate compliance with requirements, and would expressly specify that approved alternative fuel conversions are effective indefinitely, provided the approved conversion system is not significantly modified from its approved configuration. Finally, the proposed amendments would allow a manufacturer to request and be issued an Executive Order prior to completing the on-board diagnostic (OBD) system demonstrations if the manufacturer is seeking to certify its conversion system to a more stringent vehicle or engine emissions standard. Staff believes that these proposed changes will meet industry requests while preserving emissions benefits.

Objectives and Benefits:

The current requirements for obtaining ARB certification of alternative fuel conversion systems for on-road motor vehicles and motor vehicle engines were last substantively amended in 1995, and consequently do not incorporate the more stringent low emission vehicle standards (LEV II and LEV III) standards adopted by the Board since 1995.

In addition, the United States Environmental Protection Agency (U.S. EPA) recently finalized regulations for certifying alternative fuel conversion systems in on-road motor vehicles that provide converters streamlined testing and administrative requirements, including providing small volume conversion manufacturers additional flexibility from certain testing requirements.

Staff believes that the proposed amendments to existing regulations will similarly establish streamlined requirements for manufacturers of alternative fuel conversion systems, and that such amendments are needed because current demonstration requirements for certification of alternative fuel conversions are relatively time consuming and costly, which could create barriers for small volume conversion manufacturers to bring their product to market. The aim of the modifications is to reduce costs and time required to bring the conversion systems to market while preserving emissions benefits. The proposed changes will also create a single process for

certifying an alternative fuel retrofit system, which would reduce the upfront demonstration requirements and allow systems to be sold sooner than under the current process.

Staff developed the proposed amendments through an extensive public process in less than a year. This included three public workshops and multiple workgroup meetings and teleconference calls with stakeholders. At all workshops and meetings, staff solicited comments from stakeholders and affected industry to develop staff's current proposals.

CONSISTENCY AND COMPATIBILITY WITH EXISTING STATE REGULATIONS

During the process of developing the proposed amendments, ARB has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

COMPARABLE FEDERAL REGULATIONS

The U.S. EPA recently adopted changes to their procedures used to approve vehicles and engines that have been converted to operate on alternative fuels such as natural gas or propane (Clean Alternative Fuel Vehicle and Engine Conversions, 2011).

California has more severe air quality problems than most other states and currently does not meet federal air quality standards. California also has lower emissions standards for light-duty vehicles and will need to ensure that conversions to alternative fuel still achieve the expected emissions reductions. The newly adopted federal regulations provide a mechanism by which an Alternative Fuel Converter can attain an EPA exemption from the tampering prohibition in the Clean Air Act 2010 (CAA § 203). ARB's proposed changes will provide an additional level of assurance that alternative fuel conversion vehicles will not increase emissions, commensurate with the greater assurance needed of our programs.

Primarily, the federal program does not require small volume manufacturers to: (1) demonstrate durability and (2) demonstrate that once the conversion is conducted the OBD system meets the emission thresholds or malfunction criteria specified in the OBD regulations. For example, the federal program allows the use of a modified new catalyst for OBD demonstration testing whereas ARB requires a laboratory aged catalyst, which is representative of how catalysts deteriorate and malfunction in use.

Additionally, the federal program has less stringent requirements for conversions of older vehicles. For emission compliance, an alternative conversion manufacturer needs to provide emissions test data for vehicles within their useful life and a technical description, supported by test data on request, for vehicles outside their useful life that shows that the base vehicle emissions will be maintained. For in-use vehicles, the federal program only requires the manufacturer to attest that the OBD system is fully functional and provide a report on the OBD scanning tool without demonstrating the system performs as stated.

Full citation of the federal regulation is "Clean Alternative Fuel Vehicle and Engine Conversions." 40 CFR parts 85 and 86 (2011).

Moreover, existing state law requires that ARB certify alternative fuel retrofit systems before they can be sold or installed in motor vehicles and motor vehicle engines.

STATE IMPLEMENTATION PLAN REVISION

If adopted by ARB, ARB plans to submit the proposed regulatory action to U.S. EPA for approval as a revision to the California State Implementation Plan (SIP) required by the federal Clean Air Act (CAA). The adopted regulatory action would be submitted as a SIP revision because it amends regulations intended to reduce emissions of air pollutants in order to attain and maintain the National Ambient Air Quality Standards promulgated by U.S. EPA pursuant to the CAA.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: Proposed Amendments to Alternative Fuel Conversion Certification Procedures.

Copies of the ISOR and the full text of the proposed regulatory language, in underline and strikeout format to allow for comparison with the existing regulations, may be accessed on ARB's website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990, on August 7, 2013.

Final Statement of Reasons Availability

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB's website listed below.

Agency Contact Persons

Inquiries concerning the substance of the proposed regulation may be directed to the designated agency contact persons, Mr. Craig Duehring at (916) 323-2361or Ms. Sara Dastoum at (916) 323-1696.

The agency representative for nonsubstantive inquiries concerning the proposed administrative action is Ms. Trini Balcazar, Regulations Coordinator, (916) 445-9564. The Board staff has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

Internet Access

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's website for this rulemaking at http://www.arb.ca.gov/regact/2013/altfuel2013/altfuel2013.htm

ARB maintains a website pertaining to the Proposed Amendments to the Alternative Fuel Conversion Certification of New and In-Use Vehicles and Engines, where people can obtain information on activities and workshops, as well as copies of notices, presentations, and other written materials and electronic files. http://www.arb.ca.gov/msprog/onroad/altfuelconv/altfuelconv.htm

DISCLOSURES REGARDING THE PROPOSED REGULATION

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulations are presented below.

Fiscal Impact / Local Mandate

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would not create costs or savings to any State agency or in federal funding to the State, costs or mandate to any local agency or school district, whether or not reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500), or other nondiscretionary cost or savings to State or local agencies.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Inluding Ability to Compete

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

Cost Impacts on Representative Private Persons or Businesses

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses. ARB is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Statement of the Results of the Economic Impact Assessment Prepared Pursuant to Government Code Section 11346.3(b)

Effect on Jobs/Businesses:

The Executive Officer has determined that the proposed regulatory action would affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

Benefits of the Proposed Regulation:

The objective of the proposed amendments is to reduce the costs and time required to bring conversion systems to market while preserving emission benefits which may ultimately benefit California's air quality. A summary of these benefits is provided, please refer to "Objectives and Benefits", under the Informative Digest Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussion.

A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Economic Impact Analysis in the ISOR.

Effect on Small Business

The Executive Officer has also determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed regulatory action would affect small businesses. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

Housing Costs

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

Business Reports

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the regulation which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Alternatives

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board (which includes during preliminary workshop activities), would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

Environmental Analysis

In accordance with ARB's certified regulatory program, CCR, title 17, sections 60006 through 60007, and the California Environmental Quality Act, Public Resources Code section 21080.5, ARB has conducted an analysis of the potential for significant adverse and beneficial environmental impacts associated with the proposed regulatory action. The environmental analysis of the proposed regulatory action can be found in Chapter V of the ISOR.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the meeting and may provide comments by postal mail or by electronic submittal before the meeting. The public comment period for this regulatory action will begin on August 12, 2013. To be considered by the Board, written comments not physically submitted at the meeting, must be submitted on or after August 12, 2013 and received no later than 12:00 noon on September 25, 2013, and must be addressed to the following:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: http://www.arb.ca.gov/lispub/comm/bclist.php

You can sign up online in advance to speak at the Board meeting when you submit an electronic board item comment. For more information go to: http://www.arb.ca.gov/board/online-signup.htm.

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

ARB requests that written and email statements on this item be filed at least 10 days prior to the hearing so that ARB staff and Board members have additional time to consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under the authority granted in Health and Safety Code, sections 39515, 39600, 39601, and 43006. This action is proposed to implement, interpret, and make specific sections 2030 and 2031 of the CCR.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non-substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice and that the regulatory language as modified could result from the proposed regulatory action; in such event, the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15-days before it is adopted.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma; o
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envié un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

CALIFORNIA AIR RESOURCES BOARD

Richard W. Corey
Executive Officer

Date: July 30, 2013

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website at www.arb.ca.gov.