

UPDATED INFORMATIVE DIGEST

PROPOSED GUIDELINES FOR THE CLEAN CARS 4 ALL AND ENHANCED FLEET MODERNIZATION PROGRAMS

Background:

At its July 26, 2018, public hearing, the California Air Resources Board (CARB or Board) approved for adoption the proposed California Code of Regulations, title 13, sections 2630 through 2639, which establish regulatory guidelines for the Clean Cars 4 All Program. At this hearing the Board also approved for adoption the proposed amendments to California Code of Regulations, title 13, sections 2620 through 2630, which update the regulatory guidelines for the Enhanced Fleet Modernization Program (EFMP).

The Board directed the Executive Officer to determine if additional conforming modifications to the above provisions were appropriate and to make any proposed modified regulatory language available for public comment, with any additional supporting documents and information, for a period of at least 15 days as required by Government Code section 11346.8. The Board further directed the Executive Officer to consider written comments submitted during the public review period and make any further modifications that are appropriate available for public comment for at least 15 days, and present the regulation to the Board for further consideration if warranted, or take final action to adopt the regulation after addressing all appropriate modifications.

CARB staff made several modifications to the proposed regulation since the Board's approval in July.

Sections Affected:

Staff modified the proposed amendments to California Code of Regulations, title 13, sections 2621, 2624, 2525, and 2627.

Staff modified the proposed adoption to California Code of Regulations, title 13, sections 2621, and 2635.

Summary of Proposed Modifications:

The following summary does not include all modifications to correct typographical or grammatical errors, changes in numbering or formatting, nor does it include all of the non-substantive revisions made to improve clarity.

Expanded Definition of Dismantle

Section 2621: Staff added the term “scrap” to the definition of Dismantle to incorporate the new terminology into the regulatory definition to provide clarity and ensure that terminology is consistent throughout the regulation.

Mobility Option Incentive Amount

Sections in 2627(I): In the Initial Statement of Reasons (ISOR) staff proposed to increase the amount of the Mobility Option incentive from \$4500 to \$7000 to encourage more participants to choose this replacement option. The increased amount was set to equal what a participant would receive for the most popular type of replacement vehicle purchased through the program at the time, which was a conventional hybrid. Data presented in the ISOR Appendix G, Table G-1 shows the total number of vehicle incentives from all participating districts. From July 1, 2015 through December 31, 2017, the most popular vehicle option was a conventional hybrid at 1,151, followed by plug-in hybrids at 950. Data from quarterly reports submitted to CARB after the ISOR was made publicly available on June 5, 2018 reveal that plug-in hybrid electric vehicles are increasing in popularity at a much faster rate than that of conventional hybrid electric vehicles. Incentive totals through June 30, 2018 show conventional hybrids at 1,394, whereas incentives for plug-in hybrids reached 1,384, closing the gap of 201 vehicles to 10 in just six months. Staff expect plug-in hybrid incentive totals to surpass conventional hybrids once the next reporting cycle totals are tabulated. This trend means the average vehicle incentive amount is also increasing and is now just over \$7500. To reflect newly submitted data, the incentive amount for the Mobility Option was increased by \$500 to \$7500. This increased incentive amount will make the Mobility Option more competitive and attractive to participants compared to the most popular vehicle option.

Vehicles Ineligible for Incentives

Section 2625(d) and Section 2636(d): Staff added language to clarify that ineligible vehicles include those being re-registered in California, which is consistent with the intent of the existing language in section 2624(c). The modification simply makes explicit what is implied by the existing language, and ensures the regulation is as clear as possible.

Section 2625(e) and Section 2636(e): Staff added this subsection to support section 2624(a), which states that only the registered owner of a scrapped vehicle can be eligible for EFMP incentives. This subsection clarifies that an eligible vehicle cannot be undergoing a change of ownership, which supports the intent of the existing language in section 2624(a).

Scrapped Vehicle Minimum Eligibility Requirements

Section 2624(b) and Section 2635(b): Staff added language to clarify that a vehicle with a salvage title must be registered as operable to be eligible for retirement. This clarification is consistent with the overall intent of the program to ensure scrapped vehicles are operational and being driven in the state, as required in 2624(c).

Section 2624(c)(2)(C): Staff made a slight change to the timing requirements of invoices submitted to support scrapped vehicle eligibility. Under this section, an unregistered vehicle, or a currently registered vehicle not meeting the DMV requirements of sections 3394.4 (b)(6)(C) and 3394.4 (b)(6)(D), may still qualify for an incentive if the registered owner can provide invoices from an Automotive Repair Dealer demonstrating that the vehicle was operated in California in the last two years. As proposed, the oldest invoice may not be older than twenty-four months prior to the date of application submittal, a change from the original requirements of application receipt. This change will provide certainty to applicants, as they can more easily control when an application is submitted, but not necessarily when it is received.

Section 2624(e) and Section 2635(e): Staff added language to clarify the vehicle weight limit is inclusive of 10,000 pounds. This change was made to be consistent with the existing requirements cited in section 2624(c)(1). Also, staff reinstated clarifying language that was erroneously removed in the original proposal. This reinstated language provides specific examples of the types of eligible vehicles, which helps the reader to correctly interpret this subsection.

Nonsubstantive Modifications

In addition to the modifications described above, additional modifications correcting grammar, punctuation and spelling have been made throughout the proposed changes. These changes are nonsubstantive.

Comparable Federal Regulations:

During the process of developing the proposed regulatory actions, staff conducted a search for any similar Federal regulations on this topic and could not identify any comparable regulations.

An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):

During the process of developing the proposed regulatory actions, staff conducted a search for any similar regulations on this topic and concluded these regulations are neither inconsistent nor incompatible with existing state regulations

