

## **UPDATED INFORMATIVE DIGEST**

**Sections Affected:** Adoption of amendments to sections 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, Appendix A, Appendix B, Appendix C, and Appendix D and repeal of section 2611 to title 13, California Code of Regulations.

**Background:** Vehicle scrapping or Voluntary Accelerated Vehicle Retirement (VAVR) programs were first introduced in California in the early 1990s. The program goal is to retire older, more polluting vehicles earlier in their expected lifetimes, eliminating the emissions associated with their operation. Real emission reductions are achieved by ensuring that qualified vehicles are still fully operational and have useful lives remaining at the time they are scrapped. A vehicle accepted into the program is retired by dismantling so that the vehicle and its parts are rendered unusable.

VAVR programs are strictly voluntary programs, overseen by the Air Resources Board (ARB or Board), and administered by local air districts (district). Private enterprise operators are contracted by districts and evaluate, approve, and dispose of qualified vehicles. To qualify for a VAVR program, a vehicle must meet registration, functionality, and equipment eligibility criteria. To accommodate car collectors and others with interest in vehicles offered for retirement, VAVR programs provide the public with an opportunity to purchase vehicles in whole or in part before the vehicles are retired.

California Health and Safety Code Sections 44100-44122 established the framework for VAVR programs and required the ARB to adopt a regulation governing VAVR programs that included provisions for market-based, privately-operated VAVR enterprises and the generation of emission reduction credits. The Board adopted VAVR regulations in 1998 and amended them in 2002. These regulations appeared in title 13, California Code of Regulations (CCR), Sections 2600-2611.

Assembly Bill 923 (Firebaugh, 2004) provided for additional funding of VAVR programs through the Carl Moyer Program. In response, the Board adopted project criteria for light-duty vehicle programs in the 2005 Carl Moyer Program Guidelines. The criteria provided guidance for administering and operating conventional VAVR programs in accordance with the ARB's VAVR regulation. In December 2006, the Board adopted revised criteria for light-duty vehicle programs. These criteria provided direction for administering and operating high emitting vehicle programs and included a recommended methodology for calculating extra emission reduction credits.

**Description of the Regulatory Action:** The amendments to the 2002 VAVR regulation authorize the optional use of remote sensing devices and other technologies to identify high emitting vehicles as possible candidates for voluntary retirement and to generate extra emission reduction credits for their retirement. These regulatory amendments were considered in conjunction with closely related non-regulatory amendments to the Carl Moyer Program Guidelines, as noted above. Other changes to

the regulation were adopted to improve clarity, correct errors, delete obsolete provisions, and ensure consistency with the underlying legislation.

This action expands opportunities for reducing mobile source emissions by authorizing high emitting vehicle VAVR programs. In such programs, the highest emitting vehicles would be identified via remote sensing devices or other technologies. The owners of these vehicles would then be contacted and offered an opportunity to voluntarily retire their vehicles. The changes to the VAVR regulation specify the framework for administering and operating a high emitting vehicle VAVR program and allow for the generation of extra emission reductions that reflect the higher emissions generated by these vehicles. The changes leave in place existing provisions for conventional VAVR programs, allowing districts the flexibility to continue operating the current, simpler program.

Specific revisions to the VAVR regulation include:

- Section 2603 was revised to re-instate the vehicle residency requirement in the district of 24 months from 120 days to be consistent with the underlying legislation.
- Section 2608 was revised to authorize the generation of extra emission reduction credits for the voluntary retirement of high emitting vehicles.
- Section 2610 was revised to authorize the optional use of remote sensing devices and other ARB-approved technologies to identify high emitting vehicles. The revisions replaced original section 2610, which referenced a pilot program that has been completed.
- Section 2611 was deleted as the section's provisions depended on funding for Measure M1 of the 1994 State Implementation Plan that did not materialize.
- Other sections were revised to consolidate responsibilities, improve clarity, correct grammatical and organizational errors, and increase consistency within the regulation.

## **COMPARABLE FEDERAL REGULATIONS**

U.S. EPA has published a document, "Guidance for the Implementation of Accelerated Retirement of Vehicles Programs," but has not promulgated formal regulations for this program.