

California Vehicle Emissions Waiver Rescission

Renee DeVere-Oki provided this information to the board in a prior staff report. Renee will provide an update on the SAFE Vehicles Rule and this specific waiver rescission issue as part of the August Transportation Committee discussion.

Background:

The National Highway Traffic Safety Administration (NHTSA), under the United States Department of Transportation (U.S. DOT), and the Environmental Protection Agency (EPA) are proposing to change federal fuel economy standards for passenger vehicles and light duty trucks. This change in standards could have significant impacts on transportation plans and projects throughout California, including SACOG's Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) and transportation projects programmed in the Metropolitan Transportation Improvement Program (MTIP).

The specific proposal to amend existing Corporate Average Fuel Economy (CAFE) and greenhouse gas emissions standards for passenger cars and light trucks is called the Safer Affordable Fuel Efficient Vehicles Rule (SAFE Vehicles Rule). The current CAFE standards require new vehicles to be more fuel efficient over time. The revised standards, which would cover new vehicles manufactured between 2021 and 2026, would remove the graduated efficiency requirements and hold vehicle standards constant after 2020 through 2026. The proposed rule would also withdraw a waiver for California that allows the state to adopt more stringent standards than those enforced by the federal Clean Air Act.

The NHTSA and EPA circulated the SAFE Vehicles Rule for comment in the fall of 2018 and received comments from the California Air Resources Board (CARB) and others with concerns about the potential impacts of the revised rule, particularly on air quality and greenhouse gas emissions. We expect NHTSA and the EPA to release a final rule this summer, but do not yet know how or whether the rule will make revisions based on input received during the comment period.

Discussion/Analysis:

For SACOG, the SAFE Vehicle Rule could have an impact on our region's ability to obtain federal approval for the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), scheduled for adoption in February 2020, and limit the region's ability to make modifications to the program of projects.

The MTP/SCS and MTIP are required to include an air quality conformity determination that demonstrates reductions in vehicle emissions over time, in accordance with the federal Clean Air Act. To conduct this conformity determination, California's Metropolitan Planning Organizations (MPOs), including SACOG, use an emissions calculation model developed by the CARB and approved by the U.S. EPA that estimates emission rates for passenger vehicles operating in California.

The current model, referred to as the Emissions Factor (EMFAC) model, uses vehicle efficiency assumptions based on California's clean vehicles standards that are proposed to be eliminated as part of the SAFE Vehicles Rule. If the rule is implemented with the withdrawal of the state's more stringent standards, MPOs in California would need to wait for a new, federally approved model before

completing conformity determinations for transportation plans and programs, or look to EPA to issue interim guidance for conformity modeling during the transition period. The development and federal approval of a new model could take a year or more to complete.

In the meantime, SACOG's 2016 MTP/SCS can remain a valid, federally approved plan through March 2020. After that time, if we cannot conduct an air quality conformity analysis with the existing state model, we would rely on a 12-month grace period during which projects listed in the existing plan and program could move forward as planned, but with stringent limitations on the ability to amend or add projects during that period. After March 2021, if there is no solution or new model, we would enter what's known as a conformity lapse, during which the region would not be able to build any new system expansion projects and risk losing federal transportation funds.

Reducing California's vehicle efficiency standards by removing the federal waiver will also have implications for the state's broader program for reducing air pollution from all sources, called the State Implementation Plan. This plan lays out the inventory of emissions from various sources of pollution (mobile and stationary sources) and the regulations, policies, and measures for improving air quality over time. Higher vehicle emissions resulting from decreased fuel efficiency standards could put pressure on other sectors and agencies to achieve additional emissions reductions.

Specific to SACOG's plans and program, a relaxing of fuel efficiency standards could make it more difficult to demonstrate air quality conformity from passenger vehicle travel within the region. Staff is coordinating with local and state partners including CARB, California Transportation Commission and Caltrans, CALCOG, and local Air Districts to monitor the proposed rule and develop contingencies to limit impacts to transportation projects should the rule go into effect. Staff will continue to provide updates on this rule as it moves forward and will notify the board on any needed actions.