



## MARYLAND DEPARTMENT OF THE ENVIRONMENT

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Martin O'Malley  
Governor

Robert M. Summers, Ph.D.  
Secretary

Anthony G. Brown  
Lieutenant Governor

The Honorable Paul G. Pinsky  
Senate Chair

The Honorable Samuel I. Rosenberg  
House Chair

Joint Committee on Administrative, Executive, and  
Legislative Review (AELR)  
Department of Legislative Services  
90 State Circle  
Annapolis MD, 21401-2991

Dear Chairman Pinsky and Chairman Rosenberg:

As required by the Maryland Clean Cars Act of 2007, §2-1107, the Maryland Department of the Environment shall submit a report on or before October 1<sup>st</sup> of each year to the Administrative, Executive, and Legislative Review Committee for the Committee's review. The report is to provide a list and summary of the changes to the California Motor Vehicle Emissions Standards and compliance requirements proposed or adopted by the California Air Resources Board in the prior twelve months.

Enclosed, for your review, is this report covering the time period of September 3, 2013 through September 2, 2014. If I may be of further assistance, please contact me or Ms. Lisa Nissley, Legislative Liaison and Environmental Justice Coordinator at 410-537-3812 or by e-mail at [lisa.nissley@maryland.gov](mailto:lisa.nissley@maryland.gov).

Sincerely,

Secretary

Enclosure

cc: Ms. Lisa Nissley, Legislative Liaison and Environmental Justice Coordinator



Maryland Clean Cars Act of 2007

Summary of Proposed or Adopted Changes to the  
California Low Emissions Vehicle Program by the California  
Air Resources Board (CARB)

2014 Report Period  
September 3, 2013 through September 2, 2014

Submitted to the  
Joint Committee on Administrative, Executive, and Legislative Review  
(AELR)



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The following report summarizes changes to the California Code of Regulations (CCR) sections that were incorporated by reference by the Maryland Department of the Environment (MDE) in developing regulations to administer the Clean Cars Act of 2007. All changes that impact Maryland regulations are listed although few will result in any changes in program implementation. The following resources were used to determine changes to the California regulations:

- The California Code of Regulations (CCR), as posted on the California Office of Administrative Law website <http://government.westlaw.com/linkedslice/default.asp?Action=TOC&RS=GVT1.0&VR=2.0&SP=CCR-1000>,
- The California Air Resources Board's (CARB's) inventory of regulatory activities as posted on the agency's website <http://www.arb.ca.gov/regact/regact.htm>, and
- The California Regulatory Notice Register, as posted on the California Office of Administrative Law (OAL) [http://www.oal.ca.gov/Notice\\_Register.htm](http://www.oal.ca.gov/Notice_Register.htm).

As this report builds on the 2013 report, changes identified but not finalized at the time of publication of the previous report are reviewed along with additional changes initiated since publication of that report. Changes in the California program that were final at the time of the 2013 report are not repeated in this report. The 2013 report included changes up to September 2, 2013, so this report includes information published between September 3, 2013 and September 2, 2014. The changes are listed in order by status, with finalized changes listed first.

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## **1. Zero Emission Vehicles 2013**

Status: Final (Effective July 10<sup>th</sup>, 2014)

The California Air Resources Board (ARB) has adopted amendments to the Advanced Clean Cars (LEV III) Program regarding the Zero Emission Vehicle (ZEV) mandate. The amendments focus on adjustments to the Optional Section 177 compliance path, requiring a minimum amount of ZEV credits to be used each year, and amending the fast refueling definition for determining ZEV types.

The adjustments to the Optional Compliance Path (OCP) will have the most effect on Maryland's ZEV program. Section 177 states negotiated changes with the manufacturers and CARB to ensure the success of the new ZEV program. The new amendments eliminate the use of certain credits in meeting the requirements for qualifying for the OCP. Manufacturers can only use credits generated from actual vehicles placed in the state to meet the OCP requirements. Also included in the amendments is a provision to allow pooling across model years, allow intermediate volume manufacturers to comply with the OCP, and remove the VIN reporting requirement, unless requested by a state.

The other amendments focused on limiting the use of non-ZEV credits, such as BEVx and GHG over-compliance credits, to meet the ZEV requirement. CARB has limited the use of such credits to meet the requirement to a maximum of 50% for a model year.

A final amendment to the fast refueling provision is designed to ensure that fast refueling credits are given to vehicles that are actually using the technology. The focus was on battery swapping designed to meet the requirements but not being demonstrated in the marketplace. The changes to the program will give credits for fast refueling only after manufacturers provide data demonstrating actual refueling events.

## **2. EPA Tier III Emission Standards**

Status: Final (Published in Federal Register on April 28<sup>th</sup>, 2014, included but not final in 2013 AELR report)

EPA has proposed new emission standards for light duty motor vehicles, referred to as the Tier 3 standards, which will be phased in from model years 2017 thru 2025. These rules will not directly affect Maryland since we have adopted the California emission standards under the Maryland Clean Cars Program, however they are beneficial because they will harmonize the federal standards with the California emission standards thereby effectively creating one car<sup>1</sup> in the United States.

One key component of the Tier 3 program is the requirement for the reduction of sulfur in gasoline from 30 ppm to 10 ppm. This is referred to as the Tier 3 low sulfur gas rule. In order to maximize the benefits achieved from the new emissions standards under both Tier 3 and CALEV III, low sulfur gasoline should be utilized. Sulfur acts as poison on emission control devices and in order for the new emission control equipment to operate at its most efficient, low levels of gasoline sulfur are desired. In addition, low sulfur gasoline will have an immediate effect in reducing emissions from older vehicles, resulting in immediate emissions benefits nationally.

## **3. Alternative Fuel Conversion Certification Procedures**

Status: Under Development (Public Hearing was held on September 26<sup>th</sup>, 2013, included but not final in 2013 AELR Report)

The California ARB is proposing to update its current regulation governing alternative fuel conversion certification procedures for on-road motor vehicles and engines. The California Natural Gas Vehicle Coalition is requesting that ARB provide small volume conversion manufacturers a more streamlined process for obtaining retrofit certification, and to incorporate changes to make the approval process more similar to that of the United States Environmental Protection Agency (U.S. EPA).

The proposed amendments to the current fuel conversion certification procedures would reduce the upfront demonstration requirements for small volume conversion manufacturers

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<sup>1</sup> Currently, all vehicles sold in the U.S. must be certified to meet either the Federal or California vehicle emission standards. ‘One car’ refers to the ability, if the two standards were harmonized, of manufacturers to have one standard they can certify their vehicles to that would then satisfy the Federal requirements as well as the California requirements for new vehicle emissions. This ‘one car’ would then be allowed to be sold in any state, regardless of if they had adopted the California standards or not.

and allow systems to be sold sooner with lower certification costs than with the current process. Many of these changes will be set to sunset for the 2018 model year because they may no longer be appropriate when lower emission standards take effect for new vehicles and engines.

#### **4. HD GHG Phase 1**

Status: Under Development (Public Hearing was held on December 12, 2013)

California is considering changes to the Greenhouse Gas regulations for Medium and Heavy-Duty engines and vehicles. Other changes to emission standards for Heavy-Duty engines, and tractor trailer GHG regulations are being considered as well.

The amendments under consideration will harmonize California's GHG regulations for these classes of vehicles with existing federal GHG regulations. These amendments will have no regulatory impact on Maryland's Clean Cars Program since Maryland did not adopt the Heavy-Duty truck portion of California's regulation. However, there is some overlap with sections adopted by Maryland for the Clean Cars Program and those used by California for regulating Heavy-duty vehicles, such as the Definitions section. If these sections are changed by this amendment the reference documents will have to be updated in Maryland's Incorporated by Reference regulation in order to stay consistent with California.