

From: Fulgham, Joseph (LegHall)
Sent: Friday, September 27, 2013 10:59 AM
To: Gray, Valerie A. (DNREC)
Subject: Environmental Officials Looking to California for Clean Vehicle Rules

Pasted below is the story on DNREC's proposal to adopt California's Low Emission Vehicle III standard.

Thank you for your help.



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Environmental Officials Looking to California for Clean Vehicle Rules

In their quest to comply with the federal Clean Air Act, Delaware environmental regulators are considering adopting the most restrictive vehicle emission standards in the nation.

The Department of Natural Resources and Environmental Control (DNREC) has proposed adopting California's Low Emission Vehicle III (LEV III) standard and the Greenhouse Gas (GHG) standard. The California Low Emission rules would take effect beginning with the 2015 vehicle model year, which starts in 2014. The Greenhouse Gas standard would take effect in model year 2017.

Delaware is already operating under an earlier version of California's vehicle emission standards (LEV II), but the new rules would further restrict the levels of volatile organic compounds and nitrogen oxides – components responsible for the formation of ground-level ozone. The new standards would result in a projected 75 percent reduction in the two pollutants by model year 2025.

The proposed regulations would also set lower vehicle emission limits on fine particulates (a 90 percent reduction by 2025) and carbon dioxide (a 34 percent reduction).

DNREC planning supervisor Valerie Gray told several dozen people assembled for a public hearing in Dover this week that the new standards will help the state meet federal air quality goals. Parts of Delaware are struggling to comply with ozone and fine particle pollutant mandates.

“Mobile sources (cars and light trucks) are becoming more and more of a bigger source of our pollution in Delaware,” Ms. Gray said.

DNREC Engineer Deanna Morozowich cited 2008 emissions data (the latest available) at the hearing, showing vehicles accounted for 56 percent of carbon dioxide, 27 percent of volatile organic compounds, and 40 percent of nitrogen oxides emitted in the state.

States challenged to meet air pollution requirements have two options for controlling vehicle emissions: follow the federal standards set by the U.S. Environmental Protection Agency (EPA) or adopt the standards set by the California Air Resources Board. Under the Clean Air Act, California is permitted to set its own vehicle emissions standards providing they meet or exceed those at the federal level. Other states can adopt the California standards, but only if they are accepted without revision.

“We can either have California or federal [standards] and the federal standard currently is not restrictive enough at this time to assist us in attaining ozone attainment,” Ms. Gray said.

Delaware is attempting to follow the lead of Maine, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Oregon, Washington, and the District of Columbia, which have already adopted the California Low Emission Vehicle III standards.

Ms. Gray said if Delaware does not demonstrate a good faith effort to comply with the Clean Air Act, federal funds may be withheld. In the worst case scenario, she said the EPA could impose regulations on Delaware.

The EPA has proposed national vehicle emissions standards equaling California’s Low Emission Vehicle III. The EPA’s Tier 3 standards are expected to be adopted before mid-2014 and would begin with the 2017 model year, two years later than the proposal DNREC is currently considering.

Critics of DNREC’s approach to meeting the federal mandates say vehicles are only one component of Delaware’s air pollution equation. They argue the state could consider focusing on other pollution sources and allow the federal vehicle emission rules to be implemented as scheduled.

Some of those testifying at the hearing questioned whether tightening Delaware’s vehicle emission standards would benefit air quality. According to EPA sources, pollutants like ozone can be transported long distances by the wind, which is one of the

main reasons rural Sussex County regularly fails to meet federal ozone standards. With prevailing westerly winds carrying pollution from the Washington D.C. and Baltimore metro areas, detractors say Delaware's actions will result in little local improvement.

DNREC officials counter that criticism by noting they can only deal with the factors over which they have control.

Air quality in The First State may also benefit from the Cross-State Air Pollution Rule. The two-year-old federal regulation requires 20 contiguous states surrounding Delaware to limit the emission of nitrogen oxides and sulfur dioxide.

The expense Delaware's proposed vehicle emission regulations will impose on consumers is a major point of contention.

DNREC's Deanna Morozowich said the new regulations will add about \$1,900 to the average cost of a new car. However, she said vehicle improvements, including greater fuel efficiency, will more than pay for the expense over the vehicle's lifetime.

That assessment was repeatedly challenged at the hearing.

"We are going to pay not \$1,900 more [but] \$3,000 per new car ... for illusory benefits," said John Nichols of Middletown, who also questioned some of the underlying science supporting the need for the emission standards.

Brandon Speake questioned DNREC's evaluation, noting that if the benefits were as apparent as claimed, the lower-emission vehicles should attract a customer base by virtue of their cost-saving appeal. "Why do you have to have these regulations to force us to buy something like that?" he asked.

Scott Speake Jr., who works as a mechanic, said DNREC failed to consider the expense of maintaining the emissions control system in their calculations. "As a mechanic, I can tell you cars don't last forever and what happens to the emission control devices ... when the car gets down the road and is no longer under warranty?"

While the new regulations would mandate an upgraded vehicle warranty of 150,000 miles covering the emission controls, several citizens at the meeting said they suspected the increased cost of the longer coverage would be passed along to consumers.

"My question would be: 'What is this going to cost the state?'" said Lincoln Willis, a manager with the Willis Automotive Group. "The state is a significant buyer of vehicles, all of which will carry the additional cost of complying with these regulations."

There were also fears about the impact of the new regulations on the used car market. Since the regulations will apply only to new vehicles beginning with the 2015 model year, several citizens speculated consumers would have an incentive to purchase vehicles pre-dating the requirement.

"I work for a garbage company and in 2007 they (the federal government) adopted emissions standards for diesel engines in heavy trucks," Scott Speake Jr. said. "We

avoid ... buying anything newer than a 2007 due to the cost and the problems with the emissions on those vehicles. ... Other than the major two trash companies in the area, everybody else has done the same thing we have. ... Because of that, it has driven the cost of used trucks way higher than they were pre-2007.”

John Nichols said the higher costs imposed by the new standards will burden working Delawareans. “The used car market is going to go up. The price of these vehicles is going to go up. ... It’s a terribly regressive tax.”

DNREC’s proposal is not without its supporters.

Stephanie Herron, representing the Delaware Chapter of the Sierra Club, said the 1,400 member organization was not only in favor of the new regulations; it wanted the agency to go further. “We urge you to build on these efforts and to advance policies that speed the adoption of the zero emission vehicles within Delaware.”

California air regulators have imposed a requirement that at least 15.4 percent of all new cars sold in the state in 2025 consist of Zero Emission Vehicles (electric). Ms. Gray said as the result of an agreement with the Delaware Automobile Dealers Association, DNREC will not pursue such a requirement. However, she said the agency is considering a voluntary program that would encourage the sale of electric cars through monetary incentives. She said one path for funding the incentives could come from a cap-and-trade emissions program Delaware imposes on power plant operators (the Regional Greenhouse Gas Initiative).

According to Mr. Willis, electric vehicles accounted for less than one percent of Delaware new car sales last year.

Public comment on DNREC’s vehicle emissions proposal remains open through the close of business on October 8th. Written comments can be mailed or e-mailed to:

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