

SAFE Vehicle Rule: Potential Implications for the San Joaquin Valley

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Background

The Environmental Protection Agency (EPA) establishes national fuel economy and emissions standards for new motor vehicles under the Clean Air Act. While the Clean Air Act preempts State regulation of motor vehicles, the State of California is specifically empowered with a waiver from this preemption, allowing California to establish its own vehicle fuel economy and emissions standards.

On August 1, 2018, the EPA and the National Highway Traffic Safety Administration (NHTSA) released a notice of proposed rulemaking for the Safer Affordable Fuel-Efficient Vehicle (SAFE Vehicle) Rule for Model Years 2021-2026 for Passenger Cars and Light Trucks. The proposed SAFE Vehicle rule relaxes the federal Corporate Average Fuel Economy (CAFE) standards for cars and light trucks and withdraws California's waiver for the preemption of the State's ability to set separate CAFE standards, including implementation of the zero-emission vehicle (ZEV) mandate.

In California, the use of EMFAC2014 emissions model is required for regional and general conformity analyses, as well as for State Implementation Plan (SIP) development. The EMFAC model incorporates California Advanced Clean Cars regulations that would impose more stringent CAFE standards, including the ZEV mandate for cars and light trucks model year 2021-2026. Currently all San Joaquin Valley State Implementation Plans (SIPs) that have been approved or pending federal approval rely on EMFAC2014 for attainment demonstration purposes and transportation conformity budget setting. The proposed waiver revocation would have the following impacts:

1. Interfere with the San Joaquin Valley region's ability to meet Clean Air Act requirements
2. Interfere with Fresno COG's ability to demonstrate conformity for any future TIPs, RTPs, and RTP amendments
3. May impact GHG emissions analyses for the purposes of SB 375

Discussion

The proposed SAFE Vehicle rule would result in numerous ramifications to project delivery in the San Joaquin Valley, as summarized below.

1. Withdrawal of the waiver interferes with the region's ability to meet Clean Air Act requirements.

A State Implementation Plan (SIP) is a federally enforceable plan that identifies how a state can attain and maintain national ambient air quality standards, as required by the Clean Air Act. SIPs must identify both the magnitude of emission reductions needed and the actions necessary to achieve those reductions by a certain deadline. SIPs must also include a demonstration that a

non-attainment region will make reasonable progress toward attainment of air quality goals and is implementing reasonably available control technologies on all major emissions sources.

The attainment demonstrations contained in the San Joaquin Valley ozone and PM SIPs rely on EMFAC2014 modeling. Should the California waiver withdrawal be finalized, any pending and new SIPs could not receive federal approval without the removal of Advanced Clean Cars and the ZEV Mandate from future emission inventory projections as contained in the SIP attainment demonstrations and modeled with EMFAC2014. Without the emission reductions resulting from Advanced Clean Cars, the San Joaquin Valley region would not be able to attain its air quality goals as mandated by the Clean Air Act. A SIP failure would result in highway sanctions once the two-year sanction clock has expired.

2. Withdrawal of the waiver interferes with SJV MPO ability to demonstrate conformity and stops the flow of federal funds.

One of the SIP requirements is to ensure that certain transportation planning activities in a non-attainment area do not interfere with regional air quality goals by requiring MPOs to conform to motor vehicle emissions budgets (MVEB) contained in the applicable SIPs. Transportation conformity requirements apply to TIP/RTP updates and their amendments that involve changes to regionally significant non-exempt projects. Should the waiver withdrawal be finalized, SJV MPOs could no longer use EMFAC2014 for conformity demonstration purposes until this modeling tool is revised by CARB to remove Advanced Clean Cars impacts. However, without these reductions the region would not be able to meet its MVEBs at a time when the next conformity analysis is required and as early as 2019 or 2020. If an MPO cannot demonstrate conformity with MVEBs contained in applicable SIPs, it will enter a period, known as a conformity lapse, where the flow of federal funding for regionally significant projects will stop.

3. Withdrawal of the waiver may make achieving greenhouse gas reduction goals more difficult.

Should the waiver withdrawal be finalized, there is some uncertainty associated with the ability to meet future GHG reduction targets mandated by SB 375. Failure to do so would mean the region would be unable to adopt its SCS, thereby making the region ineligible to pursue competitive funding under SB1.

Summary

The proposed California waiver withdrawal puts approximately \$11 billion of federal and state-level transportation project funds in jeopardy Valley-wide. Assuming the waiver finalization is imminent, CARB in partnership with the Air District and SJV MPOs, will need to find additional Valley-wide emission reductions to ensure that the San Joaquin Valley region can continue to demonstrate attainment with the ozone and PM_{2.5} air quality standards and revise all applicable SIPs. SJV MPOs may see project impacts as soon as December 2019 if a Type 5 amendment is needed to incorporate the revised STIP funding estimate, or December 2020 for the 2021 FTIP update.