

(6) A source that requests a limitation on emissions to preclude applicability of major source regulations, and is not covered by §B(7) or (8) of this regulation — \$1,500;

[(6)] (7) A source that demonstrates compliance with COMAR 26.11.15 using a dispersion model other than a screening model, and is not covered by [§B(7)] §B(8) of this regulation — \$5,000; or

[(7)] (8) [PSD or NSR source, or a toxic source applying for] A source applying for a PSD approval, an NSR approval (including a Plantwide Applicability Limit (PAL) permit), or a special permit under COMAR 26.11.15 — \$20,000 each.

.19 Fee Schedule: Title V Permit or a State Permit to Operate.

A. [The owner or operator of a source that is required to obtain, and have in current effect, a permit issued under Title V of the federal Clean Air Act Amendments of 1990, 42 U.S.C. §§7661—7661f, including a Part 70 permit, or a State permit to operate, shall pay an annual fee consisting of a base fee of \$200 plus an emission-based fee for each ton of regulated emissions from all installations at the plant or facility.] Annual Fees.

(1) The owner or operator of a source that is required to obtain, and have in current effect, a permit issued under Title V of the federal Clean Air Act Amendments of 1990, 42 U.S.C. §§7661—7661f, including a Part 70 permit, shall pay an annual fee consisting of a base fee of \$5,000 plus an emission-based fee for each ton of regulated emissions from all installations at the plant or facility.

(2) The owner or operator of a Synthetic minor source that is required to obtain, and have in current effect, a State permit to operate, shall pay an annual fee consisting of a base fee of \$1,000, plus an emission-based fee for each ton of regulated emissions from all installations at the plant or facility.

(3) The owner or operator of all other sources required to obtain, and have in current effect, a State permit to operate, shall pay an annual fee consisting of a base fee of \$500, plus an emission-based fee for each ton of regulated emissions from all installations at the plant or facility.

B. — E. (text unchanged)

ROBERT M. SUMMERS, Ph.D.
Secretary of the Environment

Subtitle 11 AIR QUALITY

26.11.34 Low Emissions Vehicle Program

Authority: Authority: Environment Article, §§1-404, 2-102, 2-103, [and] 2-301, 2-1102, and 2-1103, Annotated Code of Maryland; Ch.111 and 112, Acts of 2007]

Notice of Proposed Action

[12-328-P-I]

The Secretary of the Environment proposes to amend Regulation .02 under COMAR 26.11.34 Low Emissions Vehicle Program.

Statement of Purpose

The purpose of this action is to update Maryland’s Clean Car regulations to reflect the changes made to the California Low Emissions Vehicle Program (i.e., Cal LEV or Clean Car Program) since the last update in 2010.

These amendments will be submitted to the U.S. Environmental Protection Agency (EPA) as a revision to Maryland’s State Implementation Plan (SIP).

Background

The Maryland Clean Cars Act of 2007 required the Department of the Environment (MDE) to adopt regulations implementing the Cal LEV Program in Maryland. MDE’s implementing regulations adopted, through incorporation by reference, the applicable California regulations. The Cal LEV program is a dynamic, changing program in which many of the relevant California regulations are routinely reviewed and updated. To continue to implement California’s standards, Maryland must remain consistent with their regulations; hence when California updates its regulations, MDE must reflect these changes by amending COMAR 26.11.34.02. This action incorporates changes made by California to the applicable regulations incorporated by reference into the Maryland program.

This proposed action adopts the new Cal LEV III amendments, also known as the Advanced Clean Cars Program. The Cal LEV III amendments include proposed changes to the LEV II, Greenhouse Gas (GHG), and Zero Emission Vehicle (ZEV) standards. The new LEV III program regulates criteria pollutants, and requires that all new 2015 and subsequent model year vehicles transferred (including titled and registered) in the State of Maryland be certified to meet the new California emission standards. The LEV III standards will be phased in from 2015-2025, and significantly reduces criteria pollutants from motor vehicles. The new GHG emission standard will phase-in from 2017-2025, and develops a ‘footprint’ curve to establish GHG targets for vehicle models based on their size. Proposed changes to the ZEV regulation aim to simplify the program, as well as increase requirements for the deployment of ZEV vehicles starting in 2018. Due to this California action, Maryland and the other states that have adopted the California standards must change their regulations to allow the automobile manufacturers this compliance path. This proposed action is the administrative action necessary to remain consistent with the California program.

Requirements of the Regulations

The individual regulatory changes can be grouped into the following major areas:

(1) Low Emission Vehicle (LEV) III Standards

This amendment sets new, ever more stringent, standards for criteria pollutants, reducing fleet wide average emissions so that vehicles will produce 75% less smog-forming pollution than the average new car sold today, by 2025. The new regulation removes the individual Non-Methane Organic Gas (NMOG) and Nitrogen Oxides (NO_x) standards, and replaces them with a combined NMOG and NO_x emission standards. The combined standard provides manufacturers with greater flexibility in developing their own internal compliance strategies. The amendment also increases the emission system durability warranty requirements to 150,000 miles, in order to ensure vehicles maintain their low emissions for the life of the vehicle, as well as provide more stringent evaporative emission standards for personal cars, light-duty, and medium-duty vehicles.

(2) Zero Emission Vehicle (ZEV) Program

The ZEV program can be seen as the technology-forcing piece of the Cal LEV III Program, designed to spur commercialization of zero emission vehicles. The changes in this amendment provide compliance flexibility in the near term. CARB has removed credit expirations, lowered the requirements from intermediate volume manufacturers, and extended the ‘travel provision’ that allows eligible ZEVs placed in any 177 state to count towards the ZEV requirements in all states through 2017. Beginning with model year 2018, the amendments are intended to reflect the growing role that plug-in hybrid and electric vehicles will have in achieving future air quality improvement goals. These amendments increase the requirements for ZEV deployment starting in 2018 and beyond, while

simplifying the program by removing commercialized technologies, like clean conventional, and traditional hybrids, from compliance options. Also included is an Alternative Compliance Path that manufacturers can choose to ease their burden of compliance in 177 states, by reducing the requirements in later years, if ZEVs are placed in the 177 states in the earlier years. Compliance is eased as well by creating a west and east regional pool for manufacturer's to meet the 177 state's requirements. This will provide flexibility to manufacturers to place ZEVs where the market is better prepared.

(3) Greenhouse Gas Emission Standards

The GHG standards expand on the current emission standards set for MY 2009-2016 vehicles. The new amendments phase-in for MY 2016-2025. The new standards establish a 'footprint' curve, for each model year, for reducing GHG emissions from vehicles based on their size. This will allow manufacturers to have flexibility in determining how their fleet will meet the new requirements.

Affected Sources

These amendments apply to automobile manufacturers that produce new motor vehicles for sale in Maryland. All vehicle types that have a gross vehicle weight rating of less than 14,000 pounds are affected.

Comparison to Federal Standards

In compliance with Executive Order 01.01.1996.03, this proposed regulation is more restrictive or stringent than corresponding federal standards as follows:

(1) Regulation citation and manner in which it is more restrictive than the applicable federal standard:

There is a corresponding federal standard to this proposed action, and the proposed action is more stringent. Maryland Proposed Regulations: COMAR 26.11.34

Federal Tier 2 Motor Vehicle Emissions Standards 65 FR 6698 (Feb. 10, 2000)

These regulations are more restrictive than the federal Tier 2 motor vehicle emissions standards insofar as they require more stringent NMOG and NO_x emissions standards.

(2) Benefit to the public health, safety or welfare, or the environment:

The Advanced Clean Car Program will reduce emissions of greenhouse gases (GHG), nitrogen oxides (NO_x), volatile organic compounds (VOCs), and air toxics (benzene, 1,3-butadiene and acetaldehyde). Greenhouse gases are the primary pollutants that cause global warming. Maryland, and the Chesapeake Bay, are particularly vulnerable to the effects of global warming. Major concerns include a rise in coastal waters, loss of aquatic life and potential for extreme weather conditions. NO_x emissions adversely impact the Chesapeake Bay and are also major contributors to the State's ozone and fine particulate pollution. VOCs are also linked to Maryland's ozone pollution. Air toxics emissions can have a variety of negative effects on public health.

(3) Analysis of additional burden or cost on the regulated person:

Maryland consumers should expect to pay more to purchase these cleaner vehicles due to the emissions control technology that will be required to meet these standards. California has estimated that average new vehicle purchase costs will increase by \$1,900 when fully implemented in 2025. However, these initial costs are expected to be offset by savings of up to \$6,000 from reduced fuel costs, resulting in a net savings to consumers of about \$4,000 over the life of the vehicle.

(4) Justification for the need for more restrictive standards:

The Advanced Clean Car Program will reduce emissions of greenhouse gases (GHG), nitrogen oxides (NO_x), volatile organic compounds (VOCs), and air toxics (benzene, 1,3-butadiene and

acetaldehyde). Greenhouse gases are the primary pollutants that cause global warming. Maryland, and the Chesapeake Bay, are particularly vulnerable to the effects of global warming. Major concerns include a rise in coastal waters, loss of aquatic life (impacts to oysters, crabs and the bay ecosystem) and potential of extreme weather conditions. GHG emissions contribute significantly to global warming.

Maryland's challenges to meeting the federal health standards for ozone and fine particles are amongst the toughest in the country. Much of Maryland still remains in ozone nonattainment, even after implementation of many federal and state programs that are already reducing motor vehicle emissions. The emission reductions from the Advanced Clean Cars Program will be very important to our efforts to attain and maintain these standards.

Mobile sources are the number one contributor to air toxics in major cities like Baltimore and Washington. While existing programs are gradually reducing exposure to these pollutants, the deeper and quicker reductions under the Advanced Clean Cars Program will bring healthier air to Maryland's citizen's sooner.

The Maryland Clean Cars Act of 2007 required the Maryland Department of the Environment (MDE) to adopt regulations implementing the California Clean Car Program in Maryland. Maryland's implementing regulations adopted, through incorporation by reference, the applicable California regulations. The Cal LEV program is a dynamic, changing program in which many of the relevant California regulations are continuously updated. The adoption of the Cal LEV III Amendments represents a significant change in the program. To fully realize the benefits and retain California's standards, Maryland must remain consistent with their regulations, since California has updated its regulations, Maryland must reflect these changes by amending our regulations.

Estimate of Economic Impact

I. Summary of Economic Impact. The economic impact on automobile manufacturers is expected to result in price increases for new motor vehicles, while leading to reduced operating costs for consumers. The greatest cost increase will be due to the ZEV program credit requirements. However, many changes to the ZEV program are designed to ease the burden of increased vehicle requirements. These changes remove expiration dates for credits, reduce credit requirements for Intermediate Volume Manufacturers, and extend the 'Travel Provision.' The 'Travel Provision' allows eligible ZEVs that are placed in Section 177 states to be partially counted towards compliance with California's ZEV requirements (as if they were placed in California). Additionally, vehicles placed in California can be partially counted towards Section 177 state's ZEV requirements. This provision gives manufacturers additional time to continue to advance ZEV technology and develop the network needed to encourage adoption.

These amendments will have no economic impact on the Department. They also will have no impact on the Motor Vehicle Administration's registration, data management, and dealer oversight activities related to this program.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:	NONE	

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	(-)	Minimal
E. On other industries or trade groups:	(-)	Minimal
F. Direct and indirect effects on public:		
(1) Cost to consumers	(-)	Minimal
(2) Health/ Environmental Benefits	(+)	Indeterminable

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D. Implementation of this program in Maryland is not expected to significantly impact manufacturers' production as necessary modifications will have to occur in order to comply with these requirements in California and the other 177 states, regardless. Manufacturer costs are expected to be distributed among all vehicles in all states.

E. Other industries and trade groups could expect to experience increased expenditures for the purchase of new vehicles when the amendments take effect. The exact increase in expenditures is dependent on several variables including when the new vehicles are purchased and the numbers and types of new vehicles purchased. These increased purchase costs are expected to be offset by reduced operating costs, ultimately resulting in a net savings over the lifetime of the vehicles.

F(1). The public will be directly impacted by this program due to the expected increase in the purchase of new vehicles. These increased purchase costs are expected to be offset by reduced operating costs, ultimately resulting in a net savings over the lifetime of the vehicles.

F(2). Indirectly, the implementation of this program will benefit the public by helping to improve Maryland's air quality and will result in fewer negative health effects on the general public from air pollution.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has an impact on individuals with disabilities as follows:

Changes to the program have the potential to result in an increase in the volume of Zero Emission Vehicles that have an impact on individuals with disabilities. These vehicles produce very little sound (i.e., are extremely quiet) in some operating modes and pose an increased safety risk to all but especially to individuals with visual impairments. This important safety concern is being addressed in separate actions underway at both the state and federal levels involving a variety of interested, affected stakeholders to craft a national (and even global) solution to this important safety issue.

In addition, this action will have a positive impact on individuals with disabilities involving respiratory problems by reducing air pollutants that contribute to disease.

Opportunity for Public Comment

The Department of the Environment will hold a public hearing on the proposed action on January 3, 2013 at 10 a.m. at the Department

of the Environment, 1800 Washington Boulevard, 1st Floor Aeric Conference Room, Baltimore, Maryland 21230-1720. Interested persons are invited to attend and express their views. Comments may be sent to Deborah Rabin, Regulations Coordinator, Air and Radiation Management Administration, Department of the Environment, 1800 Washington Boulevard, Suite 730, Baltimore, Maryland 21230-1720, or emailed to drabin@mde.state.md.us. Comments must be received not later than January 3, 2013, or be submitted at the hearing. For more information, call Deborah Rabin at (410) 537-3240.

Copies of the proposed action and supporting documents are available for review at the following locations: The Air and Radiation Management Administration; regional offices of the Department in Cumberland and Salisbury; all local air quality control offices; and local health departments in those counties not having separate air quality control offices.

Anyone needing special accommodations at the public hearing should contact the Department's Fair Practices Office at (410) 537-3964. TTY users may contact the Department through the Maryland Relay Service at 1-800-735-2258.

Editor's Note on Incorporation by Reference

Pursuant to State Government Article, §7-207, Annotated Code of Maryland, the California Code of Regulations (CCR), Title 13 Motor Vehicles, Division 3 Air Resources Board, 2012 Update, has been declared a document generally available to the public and appropriate for incorporation by reference. For this reason, it will not be printed in the Maryland Register or the Code of Maryland Regulations (COMAR). Copies of this document are filed in special public depositories located throughout the State. A list of these depositories was published in 39:2 Md. R. 104 (January 27, 2012), and is available online at www.dsd.state.md.us. This document may also be inspected at the office of the Division of State Documents, 16 Francis Street, Annapolis, Maryland 21401.

.02 Incorporation by Reference.

A. In this chapter, the following documents are incorporated by reference.

B. Documents incorporated.

(1) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 1, §1900 Definitions, as effective [April 17, 2009] August 7, 2012.

(2) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1960.1 Exhaust Emissions Standards and Test Procedures-1981 through 2006 Model Passenger Cars, Light-Duty and Medium-Duty Vehicles, as effective [March 26, 2004] August 7, 2012.

(3) (text unchanged).

(4) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1961 Exhaust Emission Standards and Test Procedures-2004 [and Subsequent] through 2019 Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as effective [April 1, 2010] August 7, 2012.

(5) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1961.1 Greenhouse Gas Exhaust Emission Standards and Test Procedures- 2009 [and Subsequent] through 2016 Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as effective [April 1, 2010] August 7, 2012.

(6) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1961.2 Exhaust Emission Standards and Test Procedures-2015 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as effective August 7, 2012.

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(7) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1961.3 Greenhouse Gas Exhaust Emission Standards and Test Procedures-2017 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as effective August 7, 2012.

[(6)] (8) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1962 Zero-Emission Vehicle Standards for 2005 through 2008 Model Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as effective February 13, 2010.

[(7)] (9) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1962.1 Zero-Emission Vehicle Standards for 2009 [and Subsequent] through 2017 Model Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as effective [February 13, 2010] August 7, 2012.

(10) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1962.2 Zero-Emission Vehicle Standards for 2018 and Subsequent Model Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as effective August 7, 2012.

[(8)] (11) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1962.2] Electric Vehicle Charging Requirements, as effective [April 17, 2009] August 7, 2012.

[(9)] (12) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1965 Emission Control [and], Smog Index, and Environmental Performance Labels-1979 and Subsequent Model-Year Motor Vehicles, as effective [June 16, 2008] August 7, 2012.

[(10)] (13) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1968.2 Malfunction and Diagnostic System Requirements-2004 and Subsequent Model-Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles and Engines, as effective [June 17, 2010] August 7, 2012.

[(11)] (14) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1968.5 Enforcement of Malfunction and Diagnostic System Requirements for 2004 and Subsequent Model-Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles and Engines, as effective [November 9, 2007] August 7, 2012.

[(12)] (15)–[(13)] (16) (text unchanged)

[(14)] (17) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1976 Standards and Test Procedures for Motor Vehicle Fuel Evaporative Emissions, as effective [February 13, 2010] August 7, 2012.

[(15)] (18) (text unchanged)

[(16)] (19) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 2, §1978 Standards and Test Procedures for Vehicle Refueling Emissions, as effective [February 13, 2010] August 7, 2012.

[(17)] (20)–[(19)] (22) (text unchanged)

[(20)] (23) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 6, §2037 Defects Warranty Requirements for 1990 and Subsequent Model Passenger Cars, Light-Duty Trucks, Medium-Duty Vehicles, and Motor Vehicle Engines Used in Such Vehicles, as effective [November 9, 2007] August 7, 2012.

[(21)] (24) Title 13, California Code of Regulations (CCR), Division 3, Chapter 1, Article 6, §2038 Performance Warranty Requirements for 1990 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, and Motor Vehicle Engines Used in Such Vehicles, as effective [November 9, 2007] August 7, 2012.

[(22)] (25)–[(24)] (27) (text unchanged)

[(25)] (28) Title 13, California Code of Regulations (CCR), Division 3, Chapter 2, Article 1, §2062 Assembly-Line Test

Procedures-1998 and Subsequent Model Years, as effective [November 27, 1999] August 7, 2012.

[(26)] (29)–[(31)] (34) (text unchanged)

[(32)] (35) Title 13, California Code of Regulations (CCR), Division 3, Chapter 2, Article 2.1, §2112 Definitions, undated, as effective [August 16, 2009] August 7, 2012.

[(33)] (36)–[(59)] (62) (text unchanged)

[(60)] (63) Title 13, California Code of Regulations (CCR), Division 3, Chapter 2, Article 2.3, §2139 Testing, as effective [August 16, 2009] August 7, 2012.

[(61)] (64) Title 13, California Code of Regulations (CCR), Division 3, Chapter 2, Article 2.3, §2140 Notification and Use of Test Results, as effective [August 21, 2002] August 7, 2012.

[(62)] (65)–[(65)] (68) (text unchanged)

[(66)] (69) Title 13, California Code of Regulations (CCR), Division 3, Chapter 2, Article 2.4, §2145 Field Information Report, as effective [November 27, 1999] August 7, 2012.

[(67)] (70) (text unchanged)

[(68)] (71) Title 13, California Code of Regulations (CCR), Division 3, Chapter 2, Article 2.4, §2147 Demonstration of Compliance with Emission Standards, as effective [August 16, 2009] August 7, 2012.

[(69)] (72)–[(75)] (78) (text unchanged)

[(76)] (79) Title 13, California Code of Regulations (CCR), Division 3, Chapter 4.4, §2235 Requirements, as effective [September 17, 1991] August 7, 2012.

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