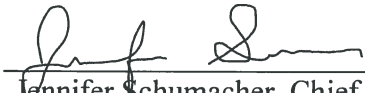


FORM # 1

**FORM FOR PETITIONING THE STATE ENVIRONMENTAL COMMISSION FOR
ADOPTION, FILING AMENDMENTS OR REPEAL OF COMMISSION REGULATIONS**

1. Nevada Division of Environmental Protection
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(775) 687-4670
June 22, 2020


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2. **Specific type of petitioner (individual, partnership, corporation, government agency, or other) and the exact occupation or business, including a description of the occupation or business if necessary:**
- a) The Nevada Division of Environmental Protection (NDEP), which is a division of the Nevada Department of Conservation and Natural Resources (DCNR) of the State of Nevada.
3. **Exact and specific nature of changes sought, including delineation of the regulations, statutory provisions of Commission decisions involved. May include a statement of the written term or substance of the proposed regulatory action, or a description of the subjects and issues involved**

Nevada Revised Statutes (NRS) 445B.100 establishes that it is public policy of the State of Nevada and the purpose of NRS 445B.100 to 445B.640, inclusive, to achieve and maintain levels of air quality which will protect human health and safety, prevent injury to plant and animal life, prevent damage to property, and preserve visibility and scenic, esthetic and historic values of the State. It further states that it is the intent of NRS 445B.100 to 445B.640, inclusive, to require the use of reasonably available methods to prevent, reduce or control air pollution throughout the State of Nevada.

NRS 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution. NRS 445B.760 establishes the authority of the SEC to adopt standards for emissions from mobile internal combustion engines found in motor vehicles after those standards have been approved by the Department of Motor Vehicles.

The amendments proposed here to the Nevada Administrative Code (NAC) Chapter 445B adopt:

- a) The California Low Emission Vehicle (LEV) standards for exhaust emissions and fuel evaporative emissions of criteria pollutants and greenhouse gases from mobile internal combustion engines found in new, light-duty and medium duty motor vehicles sold in Nevada starting from model year 2025.
- b) The California Zero Emission Vehicle (ZEV) program, starting with sales of model year 2025 vehicles. The ZEV program requires that automobile manufacturers earn a specified percentage of credits that are related to the delivery for sale of new motor vehicles in the state that are zero emission vehicles.

SPECIFIC CHANGES:

The NDEP is proposing to amend NAC 445B by creating a new subsection for the LEV and ZEV programs under the Emissions from Engines section. The subsection includes general provisions, definitions, severability, adoption of California Administrative Code by reference, LEV program provisions, ZEV program provisions, warranty and recall provisions, and civil penalties.

4. **A statement of the need for and purpose of the proposed regulations:**

Governor Sisolak has directed his administration through Executive Order 2019-22 to evaluate policies and regulatory strategies, including but not limited to those identified pursuant to Senate Bill 254 from the 2019 Legislative Session, to achieve reductions in greenhouse gas emissions consistent with Nevada's commitment as a member of the U.S. Climate Alliance. That commitment includes goals agreed to by member states of reducing statewide greenhouse gas emissions 28% by 2025 and 45% by 2030 as compared to 2005 emissions. As a significant step toward achieving those goals, on June 22, 2020, Governor Sisolak announced the Clean Cars Nevada initiative.

NDEP has evaluated the Clean Cars Nevada proposal and the adoption of these new regulations will provide Nevadans with more choices for low and zero emission electric passenger cars and trucks at dealerships throughout the state beginning in 2024. In addition to increasing consumer options, Clean Cars Nevada will help advance the State's climate change and sustainability goals and reduce harmful air pollution from cars and trucks on Nevada's roads.

Emissions of criteria pollutants (like nitrogen oxides, NOx, particulate matter, PM, and carbon monoxide, CO) from transportation are the main source of pollution in Nevada's urban areas. NOx emissions contribute to the formation of ground level ozone (smog), for which the Las Vegas valley has been designated in non-attainment by the Environmental Protection Agency (EPA); the city of Reno is in attainment for ozone, but concentrations have been very close to the non-attainment threshold in recent years.

The regulation proposed here aims to reduce both greenhouse gas and criterial pollutants emissions from the fleet of vehicles sold annually by motor vehicle manufacturers in the State.

5. **A statement of the:**

(a) Estimated economic effect of the regulation on the business which it is to regulate:

The proposed regulation will have an indirect economic effect on regulated businesses and industry; including the motor vehicle franchised dealers, auto repair facilities, auto parts suppliers and retail outlets, automotive fuel retailers and suppliers, and the motor vehicle manufacturers, however, only a generalized and qualitative impact on these businesses can be predicted. The requirement of selling an increasing percentage of ZEVs may increase costs and uncertainty over consumer acceptance for the dealers. Automotive dealerships may also expect vehicle service revenue to decline over time due to the greater reliability of and lower maintenance costs for electric vehicles. Costs for new non-ZEV vehicles may be higher due to the additional technology required for more stringent LEV emission standards. Manufacturers will incur compliance and reporting costs.

(b) Estimated economic effect on the public:

The proposed regulation will have a positive economic effect on the public. Prices of zero emission vehicles are likely to be initially higher than comparable vehicles, though prices are expected to achieve parity within the next five to seven years. However, repair costs of zero emission vehicles are lower over the life of the vehicle due to many fewer moving parts. Lifetime fueling costs of electric vehicles in place of petroleum-fueled vehicles are lower. In general, the requirement for increasing ZEV sales will provide a much larger choice of ZEV makes and models available to the public, and lower lifetime vehicle ownership costs.

In the long term, the fleet transformation to low emission and zero emission vehicles will lead to significant reductions in GHG and criteria pollutants from the transportation sector. This is expected to provide significant societal benefits, especially for those Nevadans living in areas already impacted by air pollution.

(c) Estimated cost by the agency for enforcement of the proposed regulation:

The proposed regulation will have an economic effect on the Nevada agencies charged with implementing the regulation. NDEP will take the lead on this program's implementation. NDEP will also coordinate with the Department of Motor Vehicles on the compliance and enforcement of the program. Initial implementation of the program will be done with existing staff, however, ongoing program implementation and future rulemakings associated with this program may require additional staff.

5. **A description of any regulations for other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency:**

The Clean Air Act provides exclusive authority for the EPA to regulate emission standards from motor vehicles, with the exception of the state of California, which can adopt more stringent standards with the approval of the EPA through a waiver process. Other states can adopt California vehicle emission standards as long as they are identical to those adopted by California. This regulation proposes to adopt California standards for certain types of vehicles and model years, hence replacing the federal standards.

7. **If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions. The statement must include the specific citation of the federal statute or regulation requiring such adoption:**

The proposed amendments are more stringent than what is established by federal law. Section 177 of the federal Clean Air Act, 42 U.S.C. Section 7507, provides states the option of requiring compliance with either federal or approved California emission standards for vehicles sold within their borders. This option is made available to states in order to facilitate additional emissions reductions that states can use to meet individual statewide emission reduction goals or Clean Air Act requirements.

8. **If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used:**

The proposed amendments do not address fees.