



**Minutes of Advisory Sub-Committee on
Control of Emissions from Motor Vehicles**

Held on April 5th, 2017 at 1:30pm

by Teleconference **from the** Nevada Division of Environmental protection

4th Floor Great Basin Conference Room

901 South Stewart Street

Carson city, NV. 89701

to the Nevada Division of Environmental Protection

Red Rock Room

2030 E. Flamingo Rd., Suite 230

Las Vegas NV 89119

These minutes are prepared in compliance with NRS 247.035. Text is in summarized rather than verbatim format. For complete contents, please refer to meeting tapes on file at the Nevada Department of Motor Vehicles.

**THIS MEETING WAS PROPERLY NOTICED AND POSTED IN THE FOLLOWING LOCATIONS ON
March 31st, 2017**

Department of Motor
Vehicles
555 Wright Way
Carson City, NV. 89711

Nevada State Library
100 N. Stewart St.
Carson City, NV. 89701

Department of Motor
Vehicles
305 Galletti Way
Reno, NV. 89512

Clark County Department
of Air Quality
Management
500 Grand Central Pkwy
Las Vegas, NV. 89106

Washoe County District
Health Department
1001 E. 9th St.
Reno, NV. 89512

Department of Motor
Vehicles Website
www.dmvnv.gov

Department of Motor
Vehicles
2621 East Sahara Ave.
Las Vegas, NV. 89104

1. Call to Order by the Chairman

Chairman Joseph Perreira called the meeting of the Advisory Sub-Committee on Control of Emissions from Motor Vehicles to order at 1:30 pm.

2. Roll Call

MEMBERS:	Representing	Present	Primary	Alternate	Voting
Troy Seefeldt	DMV/CED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mike Sword	CC-DAQEM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Joe Perreira	NDEP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Daniel Harms	NDOT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Daniel Inouye	WC-AQMD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3. Public Introductions

INTERESTED PARTIES:

	<i>Representing:</i>
Andy MacKay	NV Franchise Auto Dlr
Paul Enos	NV Trucking Assn.
Diana Hollander	NV Dept of EDU
Jessica Hernandez	DMV/CED
David Foley	DMV/CED
Bryan Milton	NPDA
Robert Tekniepe	CC/DAQEM
Morgan Friend	DMV/CED
Chris Robbins	Worldwide Environmental
Danilo Dragoni	NDEP/BAQP
Faun Parks	DMV / CED
Jeffrey Kinder	NDEP
Sig Jaunarajs	NDEP
Cole Pfeiffer	RTC Washoe
Dan Doenges	RTC Washoe
Sherri Merrill	MGD America
Joe Johnson	Sierra Club
Al Leskys	CC/DAQEM
Mark Silverstein	CC/Dept of Aviation
Charlie Gutierrez	RTC NV
Mike	S/W Energy Eff. Project

4. Approval of February 8, 2017 meeting minutes.

- A. February 8, 2017 meeting minutes were approved.

5. Approval of March 9, 2017 meeting minutes.

- A. Minutes were deferred to the next scheduled Sub-Committee meeting for approval.

6. Public Comments – Limited to 5 minutes per person

- A. No public comments.

7. Review of Legislative bills relating to the VW settlement.

- A. Sig Jaunarajs {NDEP}, there are three bills that mention the VW settlement:
 1. SB 145 by Senator Spearman, the bill is energy related, but there is an amendment proposed. It adds language that says proceeds that the state of Nevada receives from

the settlement agreement between the state and Volkswagen Corporation may be used for construction of public fueling stations and charging stations for electric vehicles.

2. SB 418, a more comprehensive bill, focused on air pollution and the settlement. It instructs the state to create a special fund that the settlement money would go to with the state treasurer's office. It attempts to set legislative priorities for the funding and also mentions school buses. We are still a little unsure of the language. Our first reading was that it would require all of the money except for 15% to go to the electric hydrogen stations and would require the rest of the money to replace school buses. We met with Senator Spearman and got the impression that school buses are to be made a priority. It sets forth requirements for us to work with NDOT on the electric or hydrogen fueling stations, it requires us to do reforming and to work with the treasurer's office to get money for the projects.

- Jeff Kinder {NDEP}, to follow up on Sig's recap of the bills, there are three from Senator Spearman and Assemblywoman Swank. At this point we are just reading the bills, requesting meetings, and providing testimony not so much on the content of the bills, but explaining to the Senate and the Assembly, the work is already being done and the efforts of this group.

3. AB 416 is sponsored by Assemblywoman Swank. It wants to set a few priorities for spending the money in a way to get the biggest bang for the buck. It has proposals in to replace the oldest and highest mileage vehicles to received funding priorities.

There is a provision that attempts to make sure that if a vehicle gets replaced and it's being used in Nevada, it will stay in Nevada. We all have a concern that we will replace a truck and then it will spend the rest of its life in another state. There is also a provision to give priority to small businesses that apply for the funds. There is a provision for local and state agencies that apply for the funds. They would have to put up 20% to receive funds of 80%. The idea is if they have a little skin in the game, those agencies are more likely to take it seriously.

- All three of these bills are in play right now. They have received their first hearing and amendments are being made to them.
- Jeff Kinder {NDEP}, our message has been consistent. This is NOx abatement for vehicles that are primarily registered in Clark County, Washoe County and some throughout the state, as well.

- B. Joe Perreira {NDEP}, invites questions and comments regarding the bills mentioned.

- Al Leskys {CC/DAQEM}, did a comparison of two of the bills and there are some things that jump out.

If you look at the consent decree, Section 5.2.10 (page 18, appendix D) description of how the eligible mitigation action mitigates the impact of NOx emissions on

communities that historically bore a disproportionate share of the adverse impact of such emissions, is this environmental Justice language? In reading through Senator Spearman's bill, I believe she is interpreting it that way. It may not be an unreasonable interpretation, because in other sections of the consent decree it talks about mitigating the impacts. It says "Whereas, the Settling Defendants are required to establish this Mitigation Trust and to fund it with funds to be used for environmental mitigation projects that reduce emissions of nitrogen oxides (NOx) where the 2.0 Liter Subject Vehicles were, are or will be operated (Eligible Mitigation Action), and pay for Trust Administration Costs as set forth in this Agreement." That seems to refer to something similar to section 5.2.10, but there might be a difference. Is 5.2.10 referencing Environmental Justice?

Senator Spearman's bill will be brought up in a meeting tomorrow. There is some language that seems to contradict the primary goal of the consent decree, which is NOx reduction and specifically on the 6th page of the proposed bill as it currently stands. It says, in section 8.1 E, "for cleaner emission vehicles, for the purpose of replacing or repowering a school bus to reduce the emission of nitrogen oxides or other hazardous air pollutants." We can narrow the scope of the trust document, but we might run into trouble if we start contradicting it. I don't know if it delves into that area, but when it says "or other hazardous air pollutants", it suggests that the focus does not have to be on nitrogen oxides. I view that as being problematic.

In yesterday's hearing on Swank's bill, Paul Enos representing NV Trucking was discussing the priorities of the bill when it came to determining the model year that should be the threshold cutoff. He did not focus entirely on NOx. Looking through the Diesel.net website, it has a list of tier standards. By far, the greatest emission reductions are a result of the more stringent emission standards for the engine. There is a table on the website that shows the NOx reductions dramatic increase in stringency is in 2007. It went from 4.0 grams per horsepower hour to .2, it's a twenty fold more stringent standard. That year can be used on NOx, but I believe the focus was on particulate matter.

One of the priorities in Assemblywoman Swank's bill was to focus on vehicles which have been operated in the state, for not less than one half of the time that the vehicle has been owned by the current owner. I think her concern is that the vehicles be operated in Nevada. It should say, "The vehicle will be operated in Nevada for not less than one half of the time." It seems from an emissions standpoint, that's irrelevant. The reason I raise the issue is because she primarily uses bill language with the phrasing "Nitrogen Oxides *and* Hazardous Air Pollutants". I don't think that's problematic, other than its inconsistent. It's within one section that it changes to "Nitrogen Oxides *or* Hazardous Air Pollutants".

- Sig Jaunarajs {NDEP}, in Senator Spearman's bill, where they refer to "hazardous air pollutants", I think she's using that term generically. When air quality people talk about hazardous air pollutants it has a specific meaning in the clean air act. There are 6 types of pollutants that we have ambient standards for. Examples of hazardous pollutants are things like Benzene, Formaldehyde, and other metals (not lead). I

don't think she means that, I think she is just stating generically, like carbon monoxide. I do not believe there is a direct contradiction between her bill and the settlement.

- Joe Johnson {Sierra Club}, AB416 was based upon particulates rather than NOx being the technological change. Also, subsection 3, section 1 of AB416 is where it establishes priorities. In listing these without limitation, you could make the argument that you could go with a 1% priority decision, but you are leaving yourself open to an action on this issue. Particularly if you are going to look at school buses or government vehicles, when it's included in the bill, there seems to be a restriction on who can be considered in vehicle replacement for small business owners. We don't want school buses to be precluded and get lost in the language. In addition, charging stations for filling hydrogen are explicitly itemized for allowable mediation, this precludes that consideration of replacement. It sets a priority in vehicles, establishes an order and leaves no other options. A ten year charging of an electric vehicle may reduce emissions more than a onetime replacement of a truck that only has 6 months of life left. In the lifecycle analysis, what are the measures they could use to reduce the NOx? The intent of some of the legislators is to restrict the "without limitations" has to do with priorities and refers to the language in AB 416 not SB 418.
- Paul Enos {NV Trucking}, there was a big deal about the engine in 2007 vs. 2006 and the bill should say 2006 instead of 2005. It should also say engine year instead of manufacturer year of vehicle because it's the engine that contributes to the pollution. The big thing in that year was the requirement to put the filter on the trucks, that was the big change and we got NOx reduction. Same with 2010, they required a diesel exhaust fluid tank where it captures all of the soot and what's coming out. That's the best way to illustrate the changes in the engines from year to year. The focus needs to be on NOx reduction. We did see drastic improvements and fewer NOx emissions with post 2006 engines and even more so with 2010 and beyond. I do think it was the sponsor of the bills preference to allow small businesses who may not have the funds to go out and buy a new vehicle, that we give those businesses the preference. I represent all types of companies, and it's usually the largest companies that take the most advantage of these programs and incentives. In a statutory construction, something has to be first and something has to be second. If you look at section 1, sub-section 4F, line 35 on page 3 of the bill it does say that small business conducted for profit in the state with not more than 50 employees.
- Danilo Dragoni {NDEP/BAQP}, during the hearing yesterday, I don't know who in the commission pointed out that the bill is constructed in such a way that if 50 people or less is referring to the government, as well as a small business of the allowable project and they said no, that was not the intent.
- Al Leskys {CC/DAQEM}, the language in that bill, in section 1.2 directs NDEP, DMV, and NDOT to develop a program for distributing money received from the mitigation trust to residents of this state and local government to replace or repower effected vehicles.

- Andy MacKay {NV Franchise Auto Dlr}, there is key transitory language in sub section 3, the program developed pursuant to section 2 must include “without limitations”.

8. Review and Discussion of recommendations for the Beneficiary Mitigation Plan.

A. Joe Perreira {NDEP}, with legislation going on, there is not much that we will discuss today. I have circulated vehicle data to the sub-committee members and it has been posted on Listserv. The first couple of pages cover diesel powered school buses in Clark and Washoe counties. These pages look at diesel powered vehicles either at the state level or at the county level for the qualifying years for appendix D funding, 1992 through 2009. Getting into diesel powered school busses in Clark and Washoe counties, this data comes from NAC 486A, the Alternative Fuels and Fleets Program.

Fleets report to me, it’s a program that insures that fleets are using alternative fuels. A couple of years ago, we had the fleets send us a complete listing of their entire fleet so we could get up to date. Here is the complete listing (refer to attachments) from the fleet managers of Clark and Washoe counties with any changes. The next sheet shows diesel powered class 4 through 8, vehicles registered in the state of Nevada, that spend more than half of their time in the state. This combines intrastate, registered, class 4 through 8 vehicles and interstate, class 4 through 8 vehicles that report more than ½ their mileage in the state; all non-excluded plate vehicles.

In presenting this data, I wanted to compare the opportunities the sub-committee has with the funding in how we craft the mitigation plan and where the biggest reduction in NOx would be, in terms of prioritizing funding. On the backs of two of the pages (refer to attachments), you will see “data age range”. It gets into NOx and PM standards. The data has been broken down into changes when federal emission standards for heavy duty vehicles was changed. From 1992-1993, the NOx standard was 5 grams per brake horsepower hour and the PM standard was .25 grams per brake horsepower hour. From 2007 - 2009, there was a 50% roll into compliance period. In 2010, the standards applied to 100% of all vehicles but the NOx standard for 2007 was .2 grams per brake horsepower hour and PM standard was .01 grams per brake horsepower hour. If we are just looking to maximize our emissions reductions, we are going to want the oldest vehicles, privately owned, diesel powered, and class 4 through 8 vehicles off the road. The data isn’t in any way to say that we prefer class 4 through 8 vehicles over school buses, there are emission reductions to be made by both, it just means that the options are far more limited. We don’t have data on school buses in the rest of the state, only Clark and Washoe counties. I imagine they are older than Clark and Washoe counties, so it would only be speculation.

- **Q: Paul Enos {NV Trucking Assn}**, one of the things that should be in the bill is highly used vehicles that have more than 200k miles on the odometer. We don’t ask for an odometer reading when we are registering these vehicles do we? With the International Registration Plan (IRP) you have to calculate how much you drive the vehicle.

- **A: Morgan Friend {DMV/CED}**, in reference to motor carrier type vehicles, class 4 to 8, I can go back and ask Motor Carrier how they are currently capturing that data. However, it's my understanding that when the vehicle is first registered, there is a spot for the odometer reading. For example, the title or the certificate of origin for newer vehicles. To clarify, I don't know if it's a parameter that can be captured based upon how the vehicles are registered. For IRP registration, where they travel in all jurisdictions, they are required to report their mileage. I can speak with the Motor Carrier Division and see if these records are obtainable. If they are obtainable, the request would need to be made through our Records Section.
- Joe Perreira {NDEP}, speaking from NDEP's point of view, when we get into the application process, we would ask for average annual mileage. AB 416 is right in line with that. Something as simple as taking a photo of your odometer would be considered. It has not been finalized. Our thoughts as we move through the Beneficiary Mitigation Plan process to begin formulating the application for fleets, municipalities, and to submit funding requests, is how we prepare the application in a way that gets us all of the information that is needed to supply to the trustees. We do not want to make it tough on smaller businesses that probably have older vehicles which we would be more interested in getting off the road. We are trying to strike a balance, internally.
- Troy Seefeldt {DMV/CED}, the idea of getting the mileage on each vehicle itself is problematic. Either you are going to have an agency check each vehicle and verify the odometer or you are going to have to trust company owners that the vehicles have a million miles and need to be replaced.
- Paul Enos {NV Trucking Assn}, we want to focus on the trucks that are getting 100,000 miles on their trucks per year rather than the trucks that are only putting 1000 miles on their trucks per year.

9. Informational Items:

- A. Joe Perreira {NDEP}, at the last meeting, I mentioned that Wilmington Trust was selected as the Trustee for the Volkswagen Mitigation Fund. That was finalized by Justice Charles Brayer. We are still waiting on the trust effective date, which will set all of our timelines in motion. The 60 days to submit the beneficiary certification, the trustee's response back and the eventual submission of the Beneficiary Mitigation Plan.
- B. Joe Perreira {NDEP}, NDEP is hosting a workshop next Wednesday, April 12th to make changes to NAC 445B.575, to make us eligible to receive Volkswagen Mitigation funds. We are including some language, "The provisions of sub-section 1 do not apply to motor vehicles subject to a settlement agreement entered into by the state of Nevada, an agency of the state of Nevada, or to which the state of Nevada is a beneficiary that is intended to mitigate the effects of any device for the control of pollution which is not correctly installed or in operating condition in accordance with the specifications of the vehicle manufacturer and any applicable state or federal statute or regulation." Currently the effected Volkswagens cannot be registered in the state of Nevada and make it possible for the state to receive

mitigation trust funding when we submit the beneficiary certification, (page 3 of appendix D3, section 9) “the beneficiary shall not deny registration to any subject vehicle based solely on the presence of a defeat devise or an ACD covered by the resolution or claims in the consent decree”. This makes it possible so we can receive funding. The owners throughout the state that own effected Volkswagens can continue to own and drive those VWs on Nevada roads. The full I/M Committee is meeting next Tuesday, which would be the 11th.

- Danilo Dragoni {NDEP/BAQP}, this will go to the state environmental commission hearing on May 3rd. If approved it will become effective on June 7th. We will need to wait 35 days to file with the secretary of state. If that date is not compatible with the test, we will have an emergency regulation with the same language and it will go to the governor to be signed. So, we will be covered no matter what happens in the next couple of weeks.

10. Public Comments:

- A. No public comments.

11. Next Meeting and Adjournment:

- A. The next meeting of the I/M Sub-Committee will be on Wednesday, May 31st at 1:30pm.
- B. The meeting adjourned at 2:26 pm.