ADOPTED REGULATION OF THE STATE

ENVIRONMENTAL COMMISSION

LCB File No. R232-03

Effective April 13, 2004

EXPLANATION - Matter in *italics* is new; matter in brackets [omitted material] is material to be omitted.

AUTHORITY: §§1-5, NRS 445B.210 and 486A.150.

A REGULATION relating to fuels; revising the definition of "alternative fuel" and repealing the definition of "certified vehicle" and certain references to such vehicles for the purpose of making those provisions consistent with certain state statutory provisions; and providing other matters properly relating thereto.

Section 1. NAC 486A.015 is hereby amended to read as follows:

486A.015 "Alternative fuel" means:

- 1. Any fuel which is listed in NRS 486A.030;
- 2. Any fuel which is usable in an alternative fuel retrofit system for motor vehicles that complies with the provisions of NAC 486A.150;
- [2.] 3. Methanol, ethanol or other alcohol, or any mixture thereof containing 85 percent or more by volume of such an alcohol with gasoline or other fuels;
- [3. Reformulated gasoline that complies with the regulations adopted by the United States

 Environmental Protection Agency pursuant to the standards for the control of emissions from

 motor vehicles established by the Clean Air Act Amendments of 1990, Public Law No. 101–549,

 November 15, 1990;

- 4. Low sulfur diesel fuel that complies with the regulations adopted by the United States

 Environmental Protection Agency pursuant to the standards for the control of emissions from

 motor vehicles established by the Clean Air Act Amendments of 1990, Public Law No. 101–549,

 November 15, 1990;
- —<u>5.</u>] **4.** Natural gas;
 - [6.] 5. Liquefied petroleum gas;
 - [7.] **6.** Hydrogen;
- [8.] 7. Liquid fuels derived from coal or another source of power, including, but not limited to, electricity; and
- [9.] 8. Any other fuel designated as an alternative fuel by the Administrator of the Division of Environmental Protection of the Department pursuant to NAC 486A.140.
 - **Sec. 2.** NAC 486A.160 is hereby amended to read as follows:
- 486A.160 1. The operator of a fleet, including, but not limited to, the operator of a fleet with buses and heavy-duty trucks, must obtain alternative fuel vehicles [or certified vehicles] in the following percentages of vehicles acquired or replaced, in compliance with the following schedule:

Fiscal Year 1995	10 percent
Fiscal Year 1996	15 percent
Fiscal Year 1997	25 percent
Fiscal Year 1998	50 percent
Fiscal Year 1999	75 percent
Fiscal Year 2000 and each year thereafter	90 percent

- 2. If the number of vehicles purchased, leased or otherwise acquired by the operator of a fleet in any 1 year when multiplied by the percentage specified in subsection 1 contains a fraction, the number of vehicles required to be alternative fuel vehicles [or certified vehicles] must be rounded off to the nearest whole number.
- 3. The operator of a fleet may meet the requirements of this section by converting existing or newly acquired vehicles to alternative fuel vehicles.
 - **Sec. 3.** NAC 486A.180 is hereby amended to read as follows:
- 486A.180 1. An alternative fuel vehicle acquired in compliance with NAC 486A.160 must be operated solely on an alternative fuel except when operating in an area where the appropriate alternative fuel is unavailable. The provisions of this subsection do not apply to a hybrid electric vehicle as defined in 40 C.F.R. § 86.1702-99.
- 2. The operator of a fleet shall compile records of all fuel used to operate alternative fuel vehicles on a monthly basis. The records must be:
- (a) Available for inspection not later than 30 days after the end of the month for which the records were compiled; and
- (b) Maintained for a period of 2 years after the end of the month for which the records were compiled.
- 3. Not later than 30 days after the end of each fiscal year, the operator of a fleet shall file a written report with the Director which specifies for that immediately preceding fiscal year:
 - (a) The number of vehicles purchased, leased or otherwise acquired;
- (b) The number of vehicles purchased, leased or otherwise acquired that are alternative fuel vehicles; [or certified vehicles:]

- (c) The number of existing vehicles that were converted to alternative fuel vehicles; and
- (d) For each vehicle included in paragraph (a), (b) or (c):
 - (1) The vehicle identification number;
 - (2) The make, model and year of manufacture; and
 - (3) The type of fuel used by the vehicle.
- **Sec. 4.** NAC 486A.200 is hereby amended to read as follows:
- 486A.200 1. Except as otherwise provided in subsection 3, the Director may exempt the operator of a fleet from the requirements of any provision of this chapter if the Director determines that:
- (a) Alternative fuel vehicles [or certified vehicles] meeting the requirements of this chapter are not available for purchase, lease or acquisition by other means; or
- (b) A commercial facility which sells alternative fuel is not available in the area in which the fleet is operated, and providing a facility to dispense alternative fuel would be economically impracticable for the operator of the fleet.
- 2. An exemption granted by the Director pursuant to subsection 1 must be for an initial period of not more than 12 months and may be renewed for additional periods of not more than 12 months.
- 3. The Director shall not exempt the operator of a fleet from the requirements of any provision of this chapter if he determines that such an exemption would have a significant adverse effect on a control measure or contingency measure.
 - **Sec. 5.** NAC 486A.035 is hereby repealed.

TEXT OF REPEALED SECTION

486A.035 "Certified vehicle" defined. (NRS 445B.210, 486A.150) "Certified vehicle" means a motor vehicle that complies with:

- 1. The standards for the control of emissions from an ultra low-emission vehicle set forth in 40 C.F.R. § 88.104-94 or 88.105-94; or
- 2. Any other standards for the control of emissions from a motor vehicle adopted by the United States Environmental Protection Agency which are more stringent than the standards for the control of emissions from an ultra low-emission vehicle set forth in 40 C.F.R. § 88.104-94 or 88.105-94.

NOTICE OF ADOPTION OF PROPOSED REGULATION LCB File No. R232-03

The State Environmental Commission adopted regulations assigned LCB File No. R237-03 which pertain to chapter 456A of the Nevada Administrative Code on February 26, 2004.

Notice date: 1/23/2004 Date of adoption by agency: 2/26/2004

Hearing date: 2/26/2004 **Filing date:** 4/13/2004

INFORMATIONAL STATEMENT

The following statement is submitted for adopted amendments to Nevada Administrative Code Chapter 486A - Fleets: Use of Alternative Fuels. This amended regulation reflects changes made to NRS 486A made during the 2003 legislative session (AB 237). In general, the changes include removal of low-sulfur diesel fuel from the list of designated alternative fuels and replacement with three diesel fuel variants; at the end of 2006 ultra low-sulfur diesel and California diesel sunset. Also, the petition removes the definition of "certified vehicle" and all references to certified vehicles in NAC 486A.

1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

Petition 2003-11 (Permanent) was noticed Notice in the Las Vegas Review Journal (LVRJ) and Reno Gazette Journal (RGJ) newspapers on the following dates – January 28, February 4, and February 11, 2004. Regulatory workshops were conducted by the Bureau of Air Quality Planning in Reno on Wednesday, February 4, at the Nevada Division of Wildlife (1100 Valley Road, Reno) and in Las Vegas on February 5, 2004 at the Regional Transportation Commission (600 S. Grand Central Parkway) The regulation (Permanent) was adopted by the State Environmental Commission (SEC) on February 26, 2003. There was no public oral and/or written comments received by the Commission during adoption. The public was mailed a public notices and meeting agenda for the SEC hearing; the SEC mailing list was used for both mailings.

- 2. The number persons who:
 - (a) Attended February 26, 2004 hearing; 40
 - (b) Testified on this Petition at the hearing: 1
 - (c) Submitted to the agency written comments: 0
- 3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses by the notices in the newspapers, as outlined in #1 and by direct mail to interested persons subscribing to the Commission's mailing list. In addition the workshop notices were posted on the Bureau of Air Quality

Planning's website (see: http://ndep.nv.gov/baqp/planintro.html). The proposed regulations (Petition) was also posted on the website hosted by the State Environmental Commission at (http://www.sec.nv.gov/main/hearing0204.htm). For this petition no written or oral comment was received from affected businesses or members of the public.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The regulation was adopted by the State Environmental Commission on February 26, 2004 without request for amendment by staff of the Nevada Division of Environmental Protection.

5. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public.

While regulated business and industry are unaffected by this regulation, proposed adopted changes will have a small economic effect (related to fuel costs) on State and local government fleets that acquire diesel fueled vehicles to comply with this regulation beginning with State Fiscal Year 2004. The regulations will otherwise not have an economic impact, either immediate or long term, on the regulated industry or the public.

6. The estimated cost to the agency for enforcement of the adopted regulation.

There will be no additional costs to the agency for enforcement of these amendments and the regulations.

7. A description of any regulations of 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 regulations do not overlap or duplicate any regulations of other state or government agencies.

8. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The regulations are no more stringent than what is established by federal law.

9. 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 regulations do not provide a new fee nor increase an existing fee.