

Workgroup Recommendations and Other Potential Control Measures
Gasoline Cars & Trucks Workgroup

CT002 – Low Income Repair Assistance Program (LIRAP)

Overview

This program provides financial assistance on a need basis to owners of vehicles that have failed the emissions portion of the State's inspection and maintenance (I/M) program to get the vehicles repaired to meet emission standards. The majority of the funding will likely come from the State but may also be provided by grants or supplemental environmental projects (SEPs). While this program would apply to all privately registered motor vehicles in New Jersey, it is assumed that most of those vehicles that would qualify would be older vehicles that, while they represent a fairly small portion of the fleet, contribute a disproportionately large fraction of the pollutants. The State currently runs an emissions waiver program which allows owners of a vehicle that continues to fail the emissions inspection after the expenditure of \$450 on qualifying repairs to be exempted from the inspection standards for one inspection cycle. Recipients of these waivers would be the primary targets of such a repair assistance program. Other states, most notably California, already have extensive repair assistance programs in place.

Details

In order to be covered, both the vehicle and the owner would need to meet various criteria such as:

- Vehicle out of warranty
- Significant emissions inspection failures only (simple issues such as gas cap failure would not be included; the safety portion of the inspection is beyond the scope of this white paper)
- Any indication of tampering or alteration of emission control systems would disqualify a vehicle
- Vehicle must have proper liability insurance coverage, current registration, and have been registered to the same owner for an extended period of time (avoids repairing cars that aren't in current use)
- Owner must show financial hardship through participation in existing assistance programs

To ensure compliance with and to monitor the benefit of the program, tailpipe testing would be conducted on each participating vehicle regardless of what emissions test was originally used. Repairs would then have to be performed by a registered Emission Repair Facility (ERF), preferably one with the additional GoldStar rating (GoldStar ERFs have at least one certified technician who has been trained above and beyond the minimum requirements and represent some of the shops that may be more likely to be good partners with the State). The amount of these repairs would be capped at \$500, and a process for review by a representative from DEP or MVC would be required to ensure reasonable charges and appropriate repairs.

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Stakeholders

- Low income owners of failing vehicles
- Registered ERFs and GoldStar ERFs

Costs/Benefits

Based on current inspection data, between 13,000 and 29,000 vehicles are older vehicles that have failed multiple emissions inspections. Assuming that 50% of these vehicles belong to motorists who would qualify under the program's income requirements and that, of those, 50% would decide to participate, then between 3,250 and 7,250 vehicles would apply for and be granted assistance. Assuming an average of 5,250 vehicles and an allocation of up to \$500 per vehicle, the cost to the State would be \$2,625,000 per year for the life of the program.

Calculating the benefits of this measure requires making some assumptions about the vehicles themselves and their emissions:

- Fleet average NOx emissions are 0.7 gram/mile
- Fleet average VOC emissions are 0.6 gram/mile
- Vehicles participating in this program have emissions 150% greater than average
- Fleet average annual VMT is 12,000 miles

It is further assumed that repairs to these vehicles can achieve 40% reductions in NOx emissions and 50% reductions in VOC emissions. The final result is a potential emissions benefit of up to 29 tons per year of NOx and 31 tons per year of VOC which results in a cost/benefit of \$43,500/ton. Most if not all of this benefit is already assumed in the state implementation plan (SIP) credit for the existing I/M program however it will not be realized without this program. A very small fraction of the vehicles that would qualify for this program are currently removed from use (ie their owners follow the full intent of the law and stop driving the vehicle due to the failed inspection). The remainder of these vehicles remain on the roads and in use as gross emitters at 150% of cutpoints. Providing this type of assistance would bring about the repair of a significant portion of these vehicles thus improving local air quality and allowing the State to realize the full potential of the I/M program.