

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

***DATA & INFORMATIONAL COLLECTION
FOR THE REPLACEMENT TIRE
EFFICIENCY PROGRAM***

Docket No. 20-TIRE-01

**ORDER INSITUTING
INFORMATIONAL
PROCEEDING**

I. INTRODUCTION

The California Energy Commission (“CEC”) is mandated to adopt and implement a statewide Replacement Tire Efficiency Program (“Program”) for replacement tires for passenger cars and light-duty trucks, to ensure that replacement tires sold in California are at least as energy efficient as the tires sold as original equipment on the vehicles. Assembly Bill 844 (Nation, Stats. 2003, ch. 645) (“AB 844”) directs the CEC to adopt this Program based on a January 2003 CEC report that concluded that “energy efficient tires have the potential to significantly reduce fuel consumption by California drivers.” The Program, codified at Public Resources Code sections 25770-25773, amended the Warren-Alquist Act and directs the CEC to develop and maintain a database for tire efficiency information, and set minimum standards for the fuel efficiency of replacement tires. Following adoption and implementation, the CEC is required to review and revise the Program at least every three years.

II. AUTHORITY

The legislative authority and mandate in AB 844 for developing and implementing the Replacement Tire Efficiency Program amends the Warren-Alquist Act at Public Resources Code sections 25770-25773, and directs the CEC to develop and adopt:

- a database of the energy efficiency of a representative sample of replacement tires (based on test procedures adopted by the CEC);
- a rating system for the energy efficiency of replacement tires;
- requirements that manufacturers report the energy efficiency of replacement tires;
- minimum efficiency standards for replacement tires; and

- consumer information requirements, including readily accessible point-of-sale information.

Prior to initiating the formal rulemaking for this Program, the CEC is commencing this informational proceeding pursuant to Section 1220(b) of the CEC's regulations at Title 20 of the California Code of Regulations. Informational proceedings are designed to: gather and assess information to assist the CEC in formulating policies; inform the public of CEC actions; and obtain public comment and opinion. This Order Instituting Informational Proceeding ("OII") initiates a public process, and all hearings, workshops, and opportunities for participation will be publicly noticed. The CEC will maintain a docket of all submissions in the OII, which will serve as the informational basis for the forthcoming rulemaking.

Commissioner Patricia Monahan shall be the Lead Commissioner for this OII. This Order delegates to the Lead Commissioner and Executive Director the authority to take appropriate steps under the law, including Public Resources Code section 25210, to collect the information necessary to initiate a rulemaking in Spring 2021 or thereabouts to develop and implement the Replacement Tire Efficiency Program pursuant to Public Resources Code sections 25770-25773. Section 25210 authorizes the CEC to hold any hearings and conduct any investigations in any part of the State necessary to carry out its powers and duties, and further affirms that the CEC has the same powers as are conferred upon heads of departments of the State pursuant to Government Code section 11180 et seq., which includes the power of subpoena. These sections, which are implemented in Cal. Code Regs., tit. 20, section 1203, give the CEC broad authority to collect the information identified in this Order. Instituting an informational proceeding through the adoption of this Order ensures that the Lead Commissioner, who will be responsible for overseeing this informational proceeding, can collect the market data and information necessary to promulgate the forthcoming rulemaking.

III. NATURE AND PURPOSE OF THIS PROCEEDING

A. Rulemaking History

Pursuant to AB 844, the CEC previously initiated rulemaking proceedings in 2003 and again in 2007 to begin the development of the Program.¹

After the enactment of AB 844, the National Highway Transportation Safety Administration ("NHTSA") was also directed to implement a tire efficiency program. First, the Energy Independence and Security Act of 2007 (Pub.L. 110-140 (December 19, 2007) 121 Stat. 1492) ("2007 Act") required the Secretary of Transportation to promulgate rules establishing a national tire fuel efficiency consumer information program for replacement tires. On January 20, 2012, NHTSA promulgated federal regulations to partially implement the 2007 Act applicable to passenger cars. Under the

¹See Order Instituting Rulemaking (03-AB-844) (December 3, 2003), and merged into a newer proceeding In the Matter of Fuel Efficient Tire Program (07-FET-1) (refiled February 14, 2008).

federal program, the 2012 regulations prescribe the method that manufacturers must use to determine the rolling resistance rating, the wet traction rating, and the treadwear rating of each replacement tire. On December 4, 2015, Congress passed the Public Law 114-94, commonly known as the Fixing America's Surface Transportation Act ("FAST Act"), which amended the federal program to set minimum performance standards for passenger car tires. Although NHTSA initiated a rulemaking to implement the FAST Act, the proceeding was halted in 2017.

Intending to align a California program with the developing federal program, the CEC paused its own rulemaking proceeding in 2012 to defer to and participate in NHTSA's rulemakings. Now with the federal program halted indefinitely, the CEC desires to reinstate the California Replacement Tire Efficiency Program and to develop and implement a Program complete with data collection and reporting, consumer information, and standards setting for tires sold in California.

B. Scope of this Proceeding

During the intervening years since the CEC's last workshop for the Program, other global markets have implemented tire efficiency programs. There is much data and many lessons to learn from these international programs and experts across industry, consumer and environmental groups. To develop and implement an effective tire efficiency program in California, the CEC requires the participation and input from an array of specific public and private stakeholders who hold this critical information. Therefore, the CEC is commencing this OII in advance of the anticipated rulemaking in Spring 2021 or thereabouts, to obtain data, information, and comments from specific and other interested stakeholders regarding the fuel efficiency of tires, such as:

1. Sales of tires, cost of tires, efficient technologies, tire safety, tire life, and tire recycling.
2. Performance testing of low rolling resistant tires sold in the North American, Asian and European markets since 2012, the last year that the CEC conducted independent tire testing.
3. Market research on options to display tire efficiency data at physical or online points-of-sale in California.
4. Any other information related to tire efficiency, safety, and durability necessary to develop recommendations for rating and setting standards for fuel efficient, low rolling resistant tires.

This OII will facilitate collaboration and information exchange with industry stakeholders including, but not limited to, tire manufacturers, retail tire businesses, tire test labs, consumer information organizations, environmental interest groups, electric utilities, and government agencies, expressly for the CEC to fulfill its statutory mandate under AB 844. Therefore, pursuant to the authority and powers described above, the Lead Commissioner may require the presence and participation of such persons in this informational proceeding pursuant to this Order and any future orders as the Lead Commissioner may direct consistent with the nature and purpose of this OII.

This OII will culminate in a staff report describing and analyzing the data collected, including recommendations for implementing and adopting the rating system and minimum standards in a subsequent rulemaking.

IV. HEARINGS AND WORKSHOPS

The Lead Commissioner will issue notices at least ten (10) days in advance of any hearings and workshops and will identify at that time when written comments and/or testimony will be due, as well as the manner of the filing. Public comment will be allowed at all workshops and hearings.

V. PUBLIC PARTICIPATION

The CEC encourages public participation in this proceeding. Any person participating in a hearing or workshop shall be afforded reasonable opportunity to make comments. Petitions to intervene are not necessary. Information will also be posted on the CEC webpage: <https://www.energy.ca.gov/tire>.

Anyone who would like to participate in this OII, should please register with the Tire list serve at: https://ww2.energy.ca.gov/listservers/index_cms.html. All who are registered will receive automated email messages with information regarding hearings, workshops, and updated documents.

To foster public participation in this OII, the Executive Director, in conjunction with the Public Advisor, shall ensure that information regarding this order and notices of hearings and workshops are distributed to all interested persons via the list serve and posted on the CEC website. The Executive Director shall also ensure sufficient advance public notice prior to consideration or adoption of any final regulations by the CEC.

For additional information, please contact the CEC Public Advisor at (800) 822-6228, or via email at publicadvisor@energy.ca.gov.

Media questions should be directed to the CEC's Media Office at (916) 654-4989 or by email at mediaoffice@energy.ca.gov.

The CEC therefore institutes an informational proceeding for Data & Information Collection for the Replacement Tire Efficiency Program and directs the Executive Director and staff to collect and evaluate the information needed to initiate a rulemaking for this Program in the Spring 2021 or thereabouts, consistent with the scope identified above, under guidance of the Lead Commissioner.

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IT IS SO ORDERED.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the California Energy Commission held on November 10, 2020.

AYE:

NAY:

ABSENT:

ABSTAIN:

Cody Goldthrite
Secretariat