

**EPA Finalizes NCP Rule for Diesel Engines** – On August 8, 2002, the U.S. EPA finalized nonconformance penalties (NCPs) that could be used by manufacturers of heavy-duty diesel engines unable to meet the 2004 model year 2.5 g/bhp-hr NMHC+NOx emission standard (67 FR 51464). The penalties allow a manufacturer to produce and sell nonconforming engines upon payment of a penalty. The penalty, which is assessed on a per-engine basis, varies with the certified emission level for the engine family involved.

The actual penalties that a manufacturer would pay for each non-complying engine are determined by formulas that already exist in the federal regulations. Key parameters that determine the NCP a manufacturer must pay are the estimated average cost of compliance, the estimated cost of compliance for a near worst-case engine, and the degree to which the engine exceeds the emission standard. Engine emissions may not exceed an upper limit designated in the regulations. Table 1 provides some examples of the calculated penalties at several emission rates under the rule.

**Table 1. Penalty Rates at Several Example Emission Levels<sup>1</sup>**

NMHC+NOx Compliance Level (g/bhp-hr) <sup>2</sup>	Heavy-Duty Service Class			
	Light	Medium	Heavy	Urban Bus
2.5	\$0	\$0	\$0	\$0
3.0	\$1,262	\$910	\$3,640	\$2,470
3.5	\$1,745	\$1,820	\$6,946	\$4,393
4.0	\$2,227	\$2,716	\$7,999	\$5,527
4.5	\$2,710	\$4,930	\$9,052	\$6,660
6.0	N/A <sup>3</sup>	N/A <sup>3</sup>	\$12,210	N/A <sup>3</sup>

<sup>1</sup> The penalties are for exceedance of the 2.5 g/bhp-hr NMHC+NOx standard. They are expressed in 2001 dollars and are for the first year of non-compliance (the penalties increase with subsequent years).

<sup>2</sup> g/bhp-hr = grams per brake horsepower-hour.

<sup>3</sup> For the light and medium heavy-duty service classes, and for urban buses, the upper limit is established at 4.5 g/bhp-hr, therefore no NCPs are applicable to emissions at 6.0 g/bhp-hr. For the heavy heavy-duty diesel engine service class, the upper limit is set at 6.0 g/bhp-hr.

For a copy of the final rule and supporting documents, go to: [www.epa.gov/otaq/hd-hwy.htm](http://www.epa.gov/otaq/hd-hwy.htm).