

§ 1962.4. Zero-Emission Vehicle Standards for 2026 and Subsequent Model Year Passenger Cars and Light-Duty Trucks.

(a) Annual ZEV Requirements

(1) Requirements for Intermediate and Large Volume Manufacturers.

(A) *Calculating Annual ZEV Requirement.* For a given individual model year's production of passenger cars and light duty trucks, manufacturers, other than small volume manufacturers, must comply with an Annual ZEV Requirement calculated according to the provisions of this subsection (a). The Annual ZEV Requirement shall be calculated as:

$$\begin{aligned} \text{Annual ZEV Requirement} \\ = \text{Annual Percentage Requirement} \times \text{Production Volume} \end{aligned}$$

Where:

Total Annual ZEV Requirement = manufacturer's ZEV production required, expressed in whole vehicles, for the applicable model year

Annual Percentage Requirement = the annual percentage requirement per subsection (a)(1)(B) for the applicable model year

Production Volume = manufacturer's production volume of passenger cars and light-duty trucks calculated in accordance with subsection (a)(1)(C), expressed in whole vehicles, for the applicable model year.

(B) *Percentage Requirement.* The table below identifies the percentage requirement to be used in the calculation of the Annual ZEV Requirement for the applicable model year.

<i>Model Year</i>	<i>Percentage Requirement¹</i>
2026	26%
2027	34%
2028	43%
2029	51%
2030	61%
2031	76%

¹ Draft numbers, final numbers subject to change. CARB staff continues to analyze a range of stringency options, including in the forthcoming SRIA, and will put forward a formal proposal in the ISOR based on further analysis.

2032	82%
2033	88%
2034	94%
2035 and subsequent	100%

(C) *Calculating the Production Volume.* The production volume is determined from the total number of passenger cars and light-duty trucks produced and delivered for sale in California that the manufacturer is required to report in the annual NMOG + NOx production report for the applicable model year. For purposes of this calculation, a passenger car or light-duty truck is counted in the production of the manufacturer that marketed it in California regardless of whether it is produced by a different manufacturer. The production volume is determined according to the method described in subsection (a)(1)(C)(i) unless the manufacturer meets the eligibility criteria for and elects to use method (a)(1)(C)(ii).

(i) *Default method to determine production volume.* A manufacturer's production volume for the given model year is the three-year average of the manufacturer's volume of passenger cars and light-duty trucks, produced and delivered for sale in California in the prior second, third, and fourth model year (e.g., 2026 model year Annual ZEV Requirements are determined by the California production volume average of passenger cars and light-duty trucks for the 2022 through 2024 model years). This production average does not determine a manufacturer's size under California Code of Regulations, title 13, section 1900.

(ii) *Optional method to determine production volume following a drop in production.* A manufacturer may elect to use the same model year to determine its production volume if its total number of passenger cars and light-duty trucks in California decreases by 30 percent or more from the previous model year as reported in its NMOG + NOx production report (e.g., 2026 model year Annual ZEV Requirements are determined by the production volume of PCs and LDTs in the 2026 model year). This calculation of production volume does not determine a manufacturer's size under California Code of Regulations, title 13, section 1900.

(2) *Requirements for Small Volume Manufacturers.*

(A) A small volume manufacturer must comply with Annual ZEV Requirement in subsection (a)(1) beginning with the 2035 model year.

(B) A small volume manufacturer may bank, sell to another manufacturer, or trade ZEVs and PHEVs, it produces and delivers for sale in California, subject to subsection (e)(2), in any model year between 2026 and 2034, inclusive.

(C) A small volume manufacturer must submit to the Executive Officer a compliance plan no later than December 31, 2032, or within one year of becoming a new small volume manufacturer, to show its plan for complying with the 2035 model year Annual ZEV Requirement. The plan must include, but is not limited to, the expected number of vehicle test groups, expected vehicle classes and models, expected certified all-electric range value by model, and expected 2035 model year vehicle sales volumes.

(3) *Changes in Manufacturer Volume Status in 2026 and Subsequent Model Years.*

(A) *Increases in California Production Volume.* If a manufacturer increases production volume, as reported in its annual NMOG + NOx production report, such that it meets the definition of an intermediate or large volume manufacturer, per California Code of Regulations, title 13, section 1900, for three consecutive averages, the manufacturer will become subject to the ZEV percentage requirements in subsection (a)(1)(B) beginning in the third model year after the last model year of the three consecutive three-year rolling averages. For example, if a manufacturer exceeds the volume threshold of an intermediate or large volume manufacturer for each of its 2026-2028, 2027-2029, and 2028-2030 model year averages, the manufacturer would be subject to ZEV percentage requirements starting in the 2033 model year.

(B) *Decreases in California Production Volume.* If a manufacturer decreases production volume, as reported in its annual NMOG + NOx production report, such that it meets the definition of a small volume manufacturer, per California Code of Regulations, title 13, section 1900, for three consecutive averages, the manufacturer shall be treated as a small volume manufacturer and shall be subject to requirements for a small volume manufacturer the following model year after the third consecutive average. For example, if a manufacturer falls below the production volume threshold for its 2026-2028, 2027-2029, and 2028-2030 model year averages, the manufacturer would be subject to the small volume manufacturer requirements starting in the 2031 model year.

(C) *Calculating California Production Volume in Change of Ownership Situations.* Where a manufacturer experiences a change in volume definition due to a change in ownership in a particular model year, the change will affect application of increased requirements on the manufacturer starting with the next model year. When a manufacturer is simultaneously producing two model years of vehicles at the time of a change of ownership, the basis of determining next model year is the earlier of the two model years. The manufacturer's volume status for the next model year shall be based on the average California production volume in the three previous consecutive model years combined for the manufacturer(s) consistent with the change in ownership applicable for that next model year. For example, where a change

of ownership occurs during 2026 model year production that results in Manufacturer A and Manufacturer B being required to aggregate production volumes per California Code of Regulations, title 13, section 1900, Manufacturer A's status for the 2027 model year will be based on the production volumes of Manufacturers A and B in the 2024-2026 model years. If such an example ownership change occurs while Manufacturer A is producing both 2026 and 2027 model year vehicles, Manufacturer A's status for the 2027 model year will still be based on the production volumes of Manufacturers A and B in the 2024-2026 model years. In either case, the lead time provisions in subdivisions (a)(3)(A) will apply.

- (b) *Requirements for ZEVs Counting Toward Annual ZEV Requirement.* Manufacturers must produce ZEVs to meet an Annual ZEV Requirement, certified to the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE], and incorporated by reference. For a ZEV to be eligible to count at a value of one vehicle towards meeting a manufacturer's Annual ZEV Requirement under subsection (a), vehicles within the manufacturer's test group must meet the following requirements at the time of certification:
- (1) *Certified All-Electric Range Value.* Minimum certified all-electric range value \geq 200 miles, determined according to the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE], and incorporated by reference.
 - (2) *ZEV Durability Requirement.* Maintain 80% or more of the certified all-electric range value for a useful life of 10 years or 150,000 miles, whichever occurs first, and comply with data reporting requirements in California Code of Regulations, title 13, section 1962.7.
 - (3) *Battery Labeling Requirements.* Meet requirements set forth in California Code of Regulations, title 13, section 1962.6.
 - (4) *Data Standardization.* Meet requirements set forth in California Code of Regulations, title 13, section 1962.5.
 - (5) *Service Information Requirements.* Meet applicable requirements set forth in California Code of Regulations, title 13, section 1969.
 - (6) *ZEV Warranty Requirements.* Meet requirements set forth in California Code of Regulations, title 13, section 1962.8.

(7) *Charging Requirements.* For battery electric vehicles and plug-in hybrid fuel cell electric vehicles, meet applicable requirements set forth in California Code of Regulations, title 13, section 1962.3.

(c) *Additional Allowances to Count Toward Annual ZEV Requirement.* Manufacturers may meet a portion of their Annual ZEV Requirement with plug-in hybrid electric vehicles (PHEVs), certified to certified to the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE], and incorporated by reference, or environmental justice vehicle values, earned according to subsection (c)(2).

(1) *PHEV Flexibility.* Manufacturers may fulfill a portion of their total Annual ZEV Requirement with PHEVs produced and delivered for sale in California as follows:

(A) Each 2026 model year and subsequent PHEV that meets the following criteria may be counted at a value of one vehicle towards the Annual ZEV Requirement:

(i) *SULEV30 Standards.* Certify the vehicle to the full useful life SULEV30 or lower exhaust emission standards for PCs and LDTs in California Code of Regulations, title 13, section 1961.4(a)(1) and associated test procedures.

(ii) *Extended Defects and Performance Warranty.* Extend the performance and defects warranty period set forth in California Code of Regulations, title 13, sections 2037(b)(2) and 2038(b)(2) to 15 years or 150,000 miles, whichever occurs first.

(iii) *Battery Warranty.* Meet battery warranty requirements set forth in California Code of Regulations, title 13, section 1962.8.

(iv) *Minimum Certified All-Electric Range Value.* Minimum certified all-electric range value of greater than or equal to 70 miles, per the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE], which is incorporated herein by reference.

(v) *Minimum US06 All-Electric Range Value.* Minimum US06 all-electric range value greater than or equal to 40 miles, per the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE], which is incorporated herein by reference.

- (vi) *Charging Requirements.* Meet applicable requirements set forth in California Code of Regulations, title 13, section 1962.3.
 - (vii) *Battery Labeling Requirements.* Meet requirements set forth in California Code of Regulations, title 13, section 1962.8.
 - (viii) *Service Information Requirements.* Meet applicable requirements set forth in California Code of Regulations, title 13, section 1969.
- (B) Each 2026 through 2028 model year PHEV that meets the following criteria may be counted towards the ZEV fleet standard at a vehicle value calculated as follows:
- (i) Minimum certified all-electric range value of greater than or equal to 43 miles, per the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE], which is incorporated herein by reference.
 - (ii) Meets the criteria identified in section (c)(1)(A)(i) through (c)(1)(A)(iii).
 - (iii) Is calculated in units of partial vehicle values per the equation:

$$\text{Partial Vehicle Value} = \frac{\text{Certified All Electric Range Value}}{100} + 0.20$$

Where:

Partial Vehicle Value = vehicle value per qualifying PHEV in units of vehicles, rounded to two significant digits and capped at a maximum of 0.85

Certified All-Electric Range Value = Calculated per California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE], incorporated here by reference, in units of miles, rounded to the whole mile

- (iv) Earns a 0.15 partial vehicle value, in addition to the value calculated in section (c)(1)(B)(iii), if it has a US06 all electric range of at least 10 miles determined in accordance with section C of the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and

Medium-Duty Vehicle Classes, dated [INSERT DATE], incorporated here by reference. The maximum total partial vehicle value earned by a PHEV meeting this additional criterion may not exceed 1.00.

(C) *PHEV Allowance*. The annual PHEV allowance shall be calculated by multiplying 20 percent times the applicable model year Annual ZEV Requirement calculated in subsection (a)(1)(A).

(2) *Environmental Justice Flexibilities*. Manufacturers may fulfill a portion of their total Annual ZEV Requirement with additional vehicle values earned according to the following provisions:

(A) *New ZEVs and PHEVs Placed in Community-based Clean Mobility Programs*. New 2026 through 2031 model year ZEVs and PHEVs placed in service in community-based clean mobility programs will earn additional vehicle values that can be used to meet a portion of the manufacturer's Annual ZEV Requirement as follows:

(i) *ZEV Value*. An additional 0.50 vehicle value will be earned by a manufacturer for each new 2026 through 2031 model year ZEV provided at discount, specified in subsection (c)(2)(A)(iv), to an approved community-based clean mobility program.

(ii) *PHEV Value*. An additional 0.40 vehicle value will be earned by a manufacturer for each new 2026 through 2031 model year PHEV, with minimum 6-seat capacity, provided at discount, specified in subsection (c)(2)(A)(iv), to an approved community-based clean mobility program.

(iii) *Vehicle Placement Deadlines*. Vehicles must be placed by May 1 of the calendar year following the applicable model year to be eligible for a given model year. For example, placement of a 2026 model year vehicle must occur by May 1, 2027 to earn 2026 model year vehicle values. If a 2026 model year vehicle is placed after May 1, 2027, but before May 1, 2028, the additional vehicle values will be counted as earned for 2027 model year.

(iv) *Required Discount*. To qualify, the manufacturer must attest to, and provide the Executive Officer documentation showing, the vehicle was provided at a minimum 25 percent discount from the Manufacturer's Suggested Retail Price.

(v) *Reporting Requirements*. For each qualifying vehicle, the manufacturer must provide the Executive Officer with the VIN, the vehicle original MSRP, and a copy of the vehicle purchase agreement.

(vi) *Qualifying Community-based Clean Mobility Programs.* The Executive Officer will make publicly available a list of approved community-based clean mobility programs, as defined in subsection (i) on an annual basis.

(B) *Additional Vehicle Value for Off-lease ZEVs and PHEVs remaining in California and placed into DACs.* [Forthcoming language describes additional vehicle value amount, and requirements to earn such additional vehicle values]

(C) *Environmental Justice Allowance.* The annual environmental justice allowance shall be calculated by multiplying 5 percent times the applicable model year Annual ZEV Requirement calculated in subsection (a)(1)(A).

(d) *Calculating ZEV Requirement Performance for the Model Year.* Each manufacturer shall calculate its ZEV requirement performance at the end of each model year. ZEV requirement performance shall be the sum of:

- (1) Actual number of ZEVs produced and delivered for sale in California in the applicable model year.
- (2) Actual number of PHEVs produced and delivered for sale in California in the applicable model year. PHEVs produced in excess of a manufacturer's PHEV allowance calculated per subsection (c)(1)(C) may not be counted towards the applicable model year ZEV requirement performance but may be banked in accordance with subsection (e);
- (3) Through the 2031 model year only, environmental justice vehicle values earned in the applicable model year through subsection (c)(2). Environmental justice vehicle values earned in excess of a manufacturer's environmental justice allowance calculated per subsection (c)(2)(C) may not be counted toward the applicable model year ZEV requirement performance but may be banked in accordance with subsection (e).

(e) *Requirements for the ZEV averaging, banking, and trading (ABT) program.*

(1) *Determining Excess or Shortfall ZEVs.* Excess or deficit ZEVs are earned on the last day of the model year. Manufacturers must calculate, for a given model year, the number of excess or deficit vehicles it has generated according to the following equation rounded to the nearest whole vehicle:

$$\text{Excess or Shortfall ZEVs} = \text{ZEV Requirement Performance} - \text{Annual ZEV Requirement}$$

Where:

Excess or Shortfalls ZEVs = manufacturer's calculated excess of, or shortfall to, the number of ZEVs required, rounded to the nearest whole vehicle;

ZEV requirement performance = manufacturer's calculated performance per subsection (d); and

Annual ZEV Requirement = manufacturer's calculated requirement per subsection (a)(1)(A).

(2) *Excess ZEVs and PHEVs.*

(A) Excess ZEVs may be banked and carried over for use in a future model year in which a manufacturer's ZEV requirement performance is below the applicable Annual ZEV Requirement or used to offset a deficit carried over from a previous model year.

(B) Excess ZEVs and PHEVs may also be traded to another manufacturer according to the provisions in subsection (e)(6). Before trading or carrying over excess ZEVs or PHEVs to the next model year, a manufacturer must apply available excess ZEVs or PHEVs to offset any deficit, where the deadline to offset that deficit has not yet passed.

(C) Excess ZEVs and PHEVs retain their full value through five model years after the model year in which they were earned. Excess ZEVs and PHEVs remaining at the end of the fifth model year after the model year in which they were generated may not be used to demonstrate compliance for later model years.

(3) *Fulfilling a ZEV Requirement Shortfall.* A manufacturer who has a shortfall of ZEVs, calculated according to subsection (e)(1), may use any combination of excess earned or acquired ZEVs, PHEVs, or environmental justice vehicle values, converted ZEVs and PHEVs, or pooled ZEVs and PHEVs to fulfill its shortfall, within the following limitations on usage:

(A) Excess environmental justice additional vehicle values may be utilized only to fulfill any remaining environmental justice allowance, calculated according to subsection (c)(2)(C) ;

(B) Converted ZEV and PHEVs, combined, may be utilized only to fulfill the converted ZEV and PHEV allowance, calculated according to subsection (e)(4)(A);

(C) Pooled ZEV and PHEVs, combined, may be utilized only to fulfill the pooled allowance, calculated according to subsection (e)(5)(A); and

(D) Excess PHEVs, Converted PHEVs, and Pooled PHEVs, combined, may not exceed the PHEV allowance, calculated according to subsection (c)(1)(C).

(4) *Converted PHEV and ZEVs.* At the conclusion of model year 2025, a manufacturer's PHEV and ZEV credit account balances, earned according to California Code of Regulations, title 13, sections 1962.2, will undergo a one-time conversion and will be subject to usage restrictions, as follows:

(A) For the 2026 through 2030 model year, the converted PHEV and ZEV allowance that may be used in a model year shall be calculated as 15% of the Annual ZEV Requirement for the applicable model year, calculated in subsection (a)(1)(A), and rounded to the nearest whole vehicle.

(B) For the 2026 through 2030 model year, converted PHEVs and ZEVs may only be used in model years where the manufacturer has a shortfall for the model year in accordance with subsection (e)(3).

(C) For the 2031 and subsequent model years, converted PHEVs and ZEVs may not be used to meet a manufacturer's annual ZEV requirement.

(D) 2025 model year and earlier credits shall be converted with the following equations:

$$\text{Converted ZEVs} = \frac{\text{2025 MY ZEV Credit Balance}}{4}$$
$$\text{Converted PHEVs} = \frac{\text{2025 MY PHEV Credit Balance}}{1.1}$$

Where:

Converted ZEVs = value of ZEV credit balances at the conclusion of 2025 model year, after conversion, rounded to the nearest whole number, in units of vehicles

2025 MY ZEV Credit Balance = manufacturer's cumulative ZEV credit balance, at the conclusion of 2025 model year

Converted PHEVs = value of PHEV credit balances at the conclusion of 2025 model year, after conversion, rounded to the nearest whole number, in units of vehicles

2025 MY PHEV Credit Balance = manufacturer's cumulative PHEV credit balance, at the conclusion of the 2025 model year

(5) *Pooled ZEVs and PHEVs.* Manufacturers may transfer excess 2026 through 2030 model year ZEVs and PHEVs earned in California or a Section 177 ZEV state to satisfy shortfalls in 2026 through 2030 model years earned in California

or a Section 177 ZEV state, up to the pooled ZEV and PHEV allowance as defined below:

- (A) The pooled ZEV and PHEV allowance for California or an applicable Section 177 ZEV state shall be calculated using the percentage in the table below for the applicable model year multiplied by the Annual ZEV Requirement calculated in subsection (a)(1)(A).

Pooled Vehicle Flexibility By Model Year

2026	2027	2028	2029	2030
15%	14%	12%	11%	10%

- (B) Excess ZEVs and PHEVs may only be transferred from California or a Section 177 state in a model year when the manufacturer has excess PHEVs or ZEVs calculated in accordance with subsection (e)(1) for California or that state and transferred to a Section 177 ZEV state that has a shortfall per subsection (e)(1) in that Section 177 ZEV state in that same model year or a deficit carried over from a previous model year.
- (C) Excess ZEVs and PHEVs may only be transferred for use in California from a Section 177 ZEV state in a model year when the manufacturer has excess PHEVs or ZEVs earned in that state in accordance with subsection (e)(1) and has a shortfall per subsection (e)(1) in California for the same model year or a deficit carried over from a previous model year.
- (D) A manufacturer may not transfer more excess ZEVs or PHEVs than are necessary to fulfill a shortfall or deficit carried over from a previous model year.
- (E) A manufacturer may not transfer more excess PHEVs than are necessary to fulfill the remaining PHEV allowance, if any, calculated per subsection (c)(1)(C) and in accordance with (e)(3)(E).
- (F) On an annual basis, by May 1st of the calendar year following the close of a model year, each manufacturer that uses this pooled vehicle flexibility shall submit, in writing, to the Executive Officer and each Section 177 ZEV state, a report identifying the originating state(s) and number of excess ZEVs and PHEVs earned in each state and transferred, the receiving state(s) and number of excess ZEVs and PHEVs received in each state, and calculations by the manufacturer demonstrating the usage was done in accordance with section (e)(5). Upon request by the Executive Officer, manufacturers shall also provide an itemized list of the following: Make, model, VIN, and dealership name and location to which the vehicle was delivered for sale for each excess PHEV and ZEV earned and transferred through the pooled vehicle flexibility.

(G) This pooled vehicle flexibility may not be used in 2031 and subsequent model years.

(6) *Trades.* The following provisions apply to excess ZEVs trading:

(A) CARB may reject trades if the involved manufacturers fail to submit the trade notification to CARB.

(B) A manufacturer may not sell excess ZEVs or PHEVs that are no longer valid for demonstrating compliance based on the model years of the subject vehicles, as specified in subsection (e)(4).

(C) In the event of a ZEV deficit resulting from a trade, both the buyer and seller are liable for the ZEV deficit.

(D) If a manufacturer trades an excess ZEV that it has not generated pursuant to subsection (e)(1) or acquired from another party, the manufacturer will be considered to have generated a ZEV deficit and will be subject to fulfilling such a deficit per subsection (f)(2). Failure to offset the ZEV deficits within the required time period will be considered a failure to satisfy the conditions upon which the executive order(s) was issued and will be addressed pursuant to section (f)(3).

(E) A manufacturer may only trade excess ZEVs that it has generated pursuant to section (e)(1) or acquired from another party.

(F) *Third Parties.* No other entity shall be allowed to earn, hold, submit reports for compliance demonstrations, or transfer ZEVs or PHEVs.

(f) *Determining Compliance or Deficit with Annual ZEV Requirements.*

(1) *Demonstrating Compliance.*

(A) Manufacturers must report to CARB that they met Annual ZEV Requirements calculated in subsection (a)(1)(A) by showing that their calculated ZEV requirement performance calculated in accordance with subsection (d) is at or above the applicable Annual ZEV Requirement; or

(B) If the ZEV requirement performance is below the applicable Annual ZEV Requirement, manufacturers must obtain and apply sufficient allowances, excess vehicles, or pooled vehicles, showing that they have fulfilled their Annual ZEV Requirement shortfall, per subsection (e)(3).

- (2) *Incur and Carry Forward a ZEV Deficit.* If a shortfall remains after all allowances are considered, the manufacturer shall be seen as incurring a deficit for the model year. Such a carry-forward may only occur after the manufacturer exhausts any supply of excess ZEVs, and all allowances within the applicable usage set forth in subsections (e) and (f). A manufacturer must make up the deficit within two model years by submitting a commensurate amount of ZEVs to the Executive Officer. Only ZEVs may be used to fulfill a manufacturer's ZEV deficit. Manufacturers are not permitted to have a deficit for 3 consecutive model years.
- (3) *Penalty.* A manufacturer that fails to meet make up a ZEV deficit shall be subject to the Health and Safety Code section 43211 civil penalty applicable to a manufacturer that sells a new motor vehicle that does not meet the applicable emission standards adopted by the state board. To calculate penalties under Health and Safety Code 43211, a deficit of one ZEV for a given model year will be equal to 4 credits. The cause of action shall be deemed to accrue when the ZEV deficit is not balanced by the end of the specified time allowed by subdivision (f)(2).
- (4) *Requirement to Report.* Each manufacturer must comply with the reporting requirements of subsection (f)(5) for ZEV compliance reporting. The averaging, banking and trading program is enforceable through the Executive Order that allows the manufacturer to offer the vehicle for sale in California.
- (5) *ZEV Reporting Requirement and Deadlines.* In order to verify the status of each manufacturer's compliance with the Annual ZEV Requirements for a given model year, each manufacturer shall submit a report to the ZEV Credit Reporting and Tracking System at least annually, by May 1 of the calendar year following the close of the model year, which contains the following information: (1) Delivery and placement data of all vehicles used to meet a manufacturer's Annual ZEV Requirement, (2) all transfers and acquisitions of ZEVs, by account type, from another manufacturer, and (3) for pooled credits, VINs associated with each ZEV or PHEV used for compliance from a Section 177 ZEV state. The manufacturer is able to provide updates, including corrected vehicle volumes, corrected VINs, and other corrected or missing information needed to complete the compliance report prior to September 1.
- (g) *Test Procedures.* Manufacturers must comply with the certification requirements and test procedures for determining compliance with this section 1962.4 that are set forth in "California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," adopted [insert adoption date], which is incorporated herein by reference.
- (h) *Disclosure of ZEV Records.*

(1) *Public Disclosure.* Unless identified as a trade secret under California Code of Regulations, title 17, section 91011, and supported as such under California Code of Regulations, title 17, section 91022, records in the Board's possession for the vehicles subject to the requirements of section 1962.4 shall be subject to disclosure as public records as follows:

(A) Each manufacturer's annual production data and the corresponding credits per vehicle earned for ZEVs and PHEVs for the 2026 and subsequent model years; and

(B) Each manufacturer's annual balances for 2026 and subsequent model years for:

(i) Each type of vehicle: ZEV, PHEVs, Converted Historical ZEVs, Converted Historical PHEVs, and EJ vehicle values; and

(ii) Excess vehicles acquired from, or transferred to another party, and the parties themselves.

(2) *Disclosure to the U.S. Environmental Protection Agency.* Records in the Board's possession for the vehicles subject to the requirements of section 1962.4 shall be subject to disclosure to the federal Environmental Protection Agency, which protects trade secrets as provided in Section 114(c) of the Clean Air Act and amendments thereto (42 USC 7401 et seq.) and in federal regulations.

(i) *Definitions.* The following definitions apply to this section 1962.4, in addition to those in "California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," adopted [insert adoption date], which is incorporated herein by reference, and to those in California Code of Regulations, title 13, section 1900:

"Community-based clean mobility program" means a program operated within a disadvantaged community that meets all the following criteria:

(A) provides access to ZEV car sharing, ZEV vanpools and carpooling, public transit services, active transit services, and similar transportation services that reduce single-occupant vehicle miles traveled; and

(B) is implemented by a community-based organization, Native American Tribe or a public agency or nonprofit organization that has received a letter of support from a project-related community-based organization or local community group that represents community members that will be

impacted by the project or has a service background related to the type of project.

“Majority ownership situations” means when one manufacturer owns another manufacturer more than 33.4%, for determination of size under California Code of Regulations, title 13, section 1900.

“NMOG + NO_x production report” means the annual report manufacturers submit to demonstrate compliance with California Code of Regulations, title 13, section 1961.4 and incorporated test procedures.

“Section 177 ZEV state” means a state that has adopted California Code of Regulations, title 13, sections 1962.4 pursuant to section 177 of the federal Clean Air Act (42 U.S.C. § 7507).

“Zero emission vehicle” or “ZEV” means a passenger car or light-duty truck that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions, determined according to the California Test Procedures for 2026 and Subsequent Model Zero-Emission Vehicles and Plug-In Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, dated [INSERT DATE]. Battery electric vehicles and fuel cell electric vehicles are examples of ZEVs.

(j) Abbreviations. The following abbreviations are used in this section 1962.2:

“EJ” means environmental justice.

“MDV” means medium-duty vehicle.

“NMOG” means non-methane organic gases, or the total mass of oxygenated and non-oxygenated hydrocarbon emissions.

“NO_x” means oxides of nitrogen.

“PHEV” means plug-in hybrid electric vehicle.

“SAE” means Society of Automotive Engineers.

“SULEV” means super-ultra-low-emission-vehicle.

“US” means United States of America.

“US06” means the US06 Supplemental Federal Test Procedure.

“USC” means United States Code

“ZEV” means zero-emission vehicle.

(k) Severability. Each provision of this section is severable, and in the event that any provision of this section is held to be invalid, the remainder of this article remains in full force and effect.

Note: Authority cited: Sections 38510, 38560, 38562, 39002, 39003, 39039, 39600, 39601, 39602.5, 43013, 43018, 43018.5, 43101, 43104, and 43105, 43106, 50093, Health and Safety Code; 42 U.S.C, sections 7414, 7507. Reference: Sections 38562, 39002, 39003, 39039, 39667, 43000, 43009.5, 43013, 43018, 43018.5, 43100, 43101,

43101.5, 43102, 43104, 43105, 43106, 43107, 43204, 43205, and 43205.5, Health and Safety Code.

DRAFT