



Proposed Amendments to the Advanced Clean Trucks (ACT) Regulation

November 13, 2023

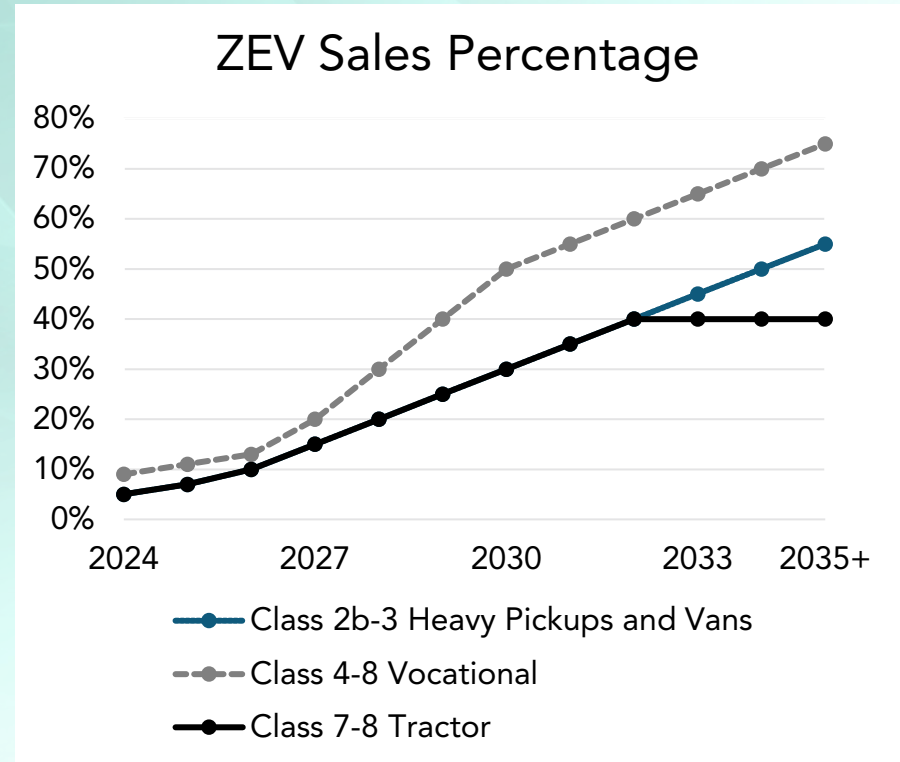
Today's Outline

- Background
- Summary of proposed amendments
- Next steps

Background

Advanced Clean Trucks Regulation

- Adopted January 2021
- Manufacturers to sell ZEVs in all vehicle classes as a percentage of total sales*
- Flexibility
 - Credit for early sales
 - 1 year make-up deficits
 - Credit banking and trading
- 320,000 ZE trucks to California by 2035



Clean Truck Partnership

- CARB agrees to align with 2027 EPA NOx standards, provide flexibility and lead time
- Manufacturers agree to comply with all CARB regulations regardless of litigation outcomes
- Means full commitment to ZEVs including 100% ZE sales by 2036



Clean Truck Partnership Agreement

- “...in calendar year 2023, CARB issued guidance on ACT credit reporting, clarifying that compliance determination and sales reporting requirements are both defined when vehicles are produced and delivered for sale in California. CARB staff will also propose to initiate a rulemaking action to that effect in calendar year 2024. Staff also will propose to modify section 1963.3(b) to lengthen the number of years a manufacturer has to make up a deficit from one year to three years.”

Clean Truck Partnership Timeline

November 13, 2023

ACT Mini Amendments
Regulatory Text
Workshop

March 2024

ACT Mini
Amendments
Board Hearing

September 2024

Final ACT
Amendments
Rulemaking
Package Due

Near-Term ACT Amendments

- Expedited process to make minor adjustments
 - Minimal cost impact and no emissions impact
- Address implementation issues while maintaining original intent
- Fulfill near-term commitments in Clean Truck Partnership agreement to complete changes in 2024
- More extensive changes cannot be completed through an expedited process in 2024

Summary of Proposed Amendments

Section 1963: Purpose, Applicability, Definitions, and General Requirements

Addition of New Definitions

- Definitions in Section 1963(c)
 - Battery-electric vehicle
 - Complete vehicle
 - Hydrogen fuel-cell electric vehicle
 - Incomplete vehicle
 - Secondary vehicle manufacturer

Section 1963.1: Deficits

Remove Ultimate Purchaser Language

- Deficits/credits are solely accrued for vehicles produced and delivered for sale in California for the model year
 - Initial compliance no longer based on vehicle deliveries to the ultimate purchaser
- Clarify that a vehicle is only eligible to generate credits/deficits once
- Section 1963.1(a)

Section 1963.2: Credit Generation, Banking, and Trading

Remove Ultimate Purchaser Language

- Deficits/credits are solely accrued for vehicles produced and delivered for sale in California for the model year
 - Initial compliance no longer based on vehicle deliveries to the ultimate purchaser
- Clarify that a vehicle is only eligible to generate credits/deficits once
- Sections 1963.2(a) and 1963.2(b)

Light-Duty Certification

- Currently, manufacturers must certify to the requirements of both 13 CCR section 1962.2 and the Zero-Emission Powertrain (ZEP) certification for non-chassis certified medium-duty ZEVs
- Add language to establish that certifying to the 13 CCR section 1962.2 requirements satisfies ACT's ZEP certification requirement
 - Change clarifies that only one certification pathway is necessary for these vehicles
- Section 1963.2(h)

Alignment with Advanced Clean Cars

- Update language in section 1963.2(i) to clarify that:
 - Double counting Class 2b-3 ZEV credits with the Advanced Clean Cars (ACC) regulations is not permitted
 - Medium-duty ZEVs counting towards the ACC II requirements will not count towards the ZEV deficit generated under ACT beginning with the 2026 model year
 - Maintain reporting requirements to identify vehicles counted toward compliance with ACC

Section 1963.3: Compliance Determination

Extend Deficit Makeup Period

- Propose increasing the deficit makeup period from one model year to three model years
- Initial net deficit balance must:
 - Be within 20 percent or less of the deficits generated from the most recent model year
 - Decrease net deficit each subsequent model year
 - Must eliminate deficits by end of third model year
- Period begins with the first model year in which deficits are accrued
- Section 1963.3(b)

Manufacturer Compliance Determination

- Clarify that compliance is:
 - Initially determined based on the reported sales of vehicles delivered for sale in California
 - Ultimately determined based on the actual sales of vehicles delivered to the ultimate purchaser and placed in service in California
- Compliance by the end of each model year is achieved when the cumulative credits exceed the total net deficits retired in prior model years
- Section 1963.3(f)

Section 1963.4: Reporting and Recordkeeping

Updated Reporting Requirements

- In section 1963.4(a), require manufacturers to report:
 - Vehicle weight class category (2b-8)
 - Vehicle family name
 - Vehicle type (tractor, yard tractor, excluded bus, school bus, cutaway vehicle, or other)
 - Advanced technology type (FCEV, BEV, NZEV, other)
 - Whether the vehicle is a complete or incomplete vehicle

Updated Reporting Requirements Cont.

- Latest status of delivery into California (to a dealer, secondary vehicle manufacturer, ultimate purchaser, or other)
- The name of the person or entity that is the vehicle's recipient
- The physical address of the vehicle's last known delivery destination

Optional Additional Reporting Period

- Provide a 180-day period for manufacturers to correct or update any information provided in the initial 90-day report
- Section 1963.4(b)

Grouped Sales Reporting Option Removal

- Remove Grouped Sales Reporting option
 - Sale verification requires VIN
- Previously numbered section 1963.4(e)

Vehicle Sales Documentation

- Section 1963.4(e)
- A new vehicle registration in California
- An invoice, receipt, contract, or purchase order with a delivery destination
 - To a dealership in California
 - To an ultimate purchaser in California
 - To a secondary vehicle manufacturer who has an order from a purchaser to receive the vehicle in California

Vehicle Sales Documentation Cont.

- Documentation from a secondary vehicle manufacturer showing delivery of the manufacturer's vehicle in California
- A statement from the secondary vehicle manufacturer indicating delivery of the complete vehicle to a dealership, reseller, or ultimate purchaser in California
- A purchase order from the fleet owner showing delivery to California

1963.5: Enforcement

Audit Secondary Vehicle Manufacturers

- Subject secondary vehicle manufacturers to audit
- Section 1963.5(a)

Section 1963.6: 2036 Requirements

Requirements Beyond 2035

- Align language with the 100 Percent Medium- and Heavy-Duty Zero Emissions Vehicle Sales Requirements

Next Steps

- November 28 workshops
 - ACT ZEV credit pooling
 - Role of hydrogen in medium- and heavy-duty vehicles
- January 2024 - Initial Statement of Reasons
- March 2024 - Board Hearing

- Submit comments by email to [ACT Reporting](mailto:ACTreporting@arb.ca.gov) (ACTreporting@arb.ca.gov) by November 27