



# Advanced Clean Cars II Regulation Adoption

August 25, 2022  
Sacramento, CA

# Outline

- Recap of Advanced Clean Cars II Key Components
- Summary of Amendments in 15-Day Changes
- Staff Recommendation & Next Steps

# Process To Date

- First Board Hearing: June 9
  - Staff Proposal and Suggested Modifications
  - Board direction:
    - Re-evaluate battery durability requirements in early years
    - Increase OEM participation in EJ vehicle values
- 15-Day Modifications and Comment Periods:
  - July 12 – 28
  - August 8 – 23

# Revolutionizing Passenger Vehicles

Continue emission reductions from combustion vehicles

Benefit equity and environmental justice

LEV Regulations

High-Quality ZEVs

Ensure ZEVs are full replacements for combustion vehicles

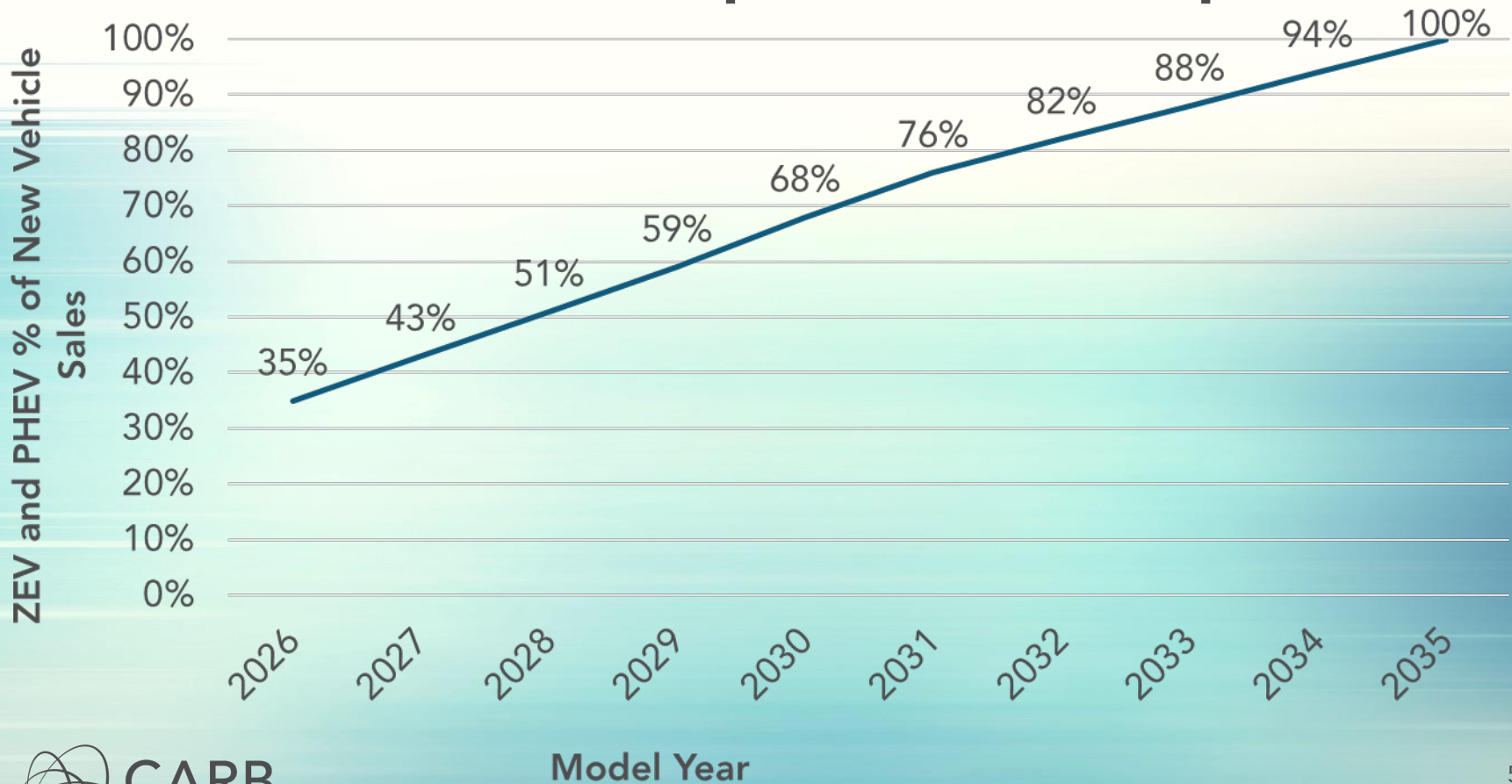
Maximize ZEV sales

ZEV Stringency

# ACC II regulations keep combustion engine vehicles on the right path

- Require manufacturers to meet criteria emission fleet average requirements without including ZEVs
- New light-duty vehicle standards to reduce tailpipe emissions during aggressive driving and cold-starts
- More stringent evaporative emission standards
- Better emission control for medium-duty vehicles

# ACC II: ZEV Requirement Proposal



# ACC II regulations will result in improved ZEVs to reduce emissions

Range



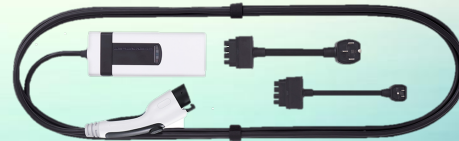
Added Durability



Warranties



Capable charging cords



Streamlined fast charging



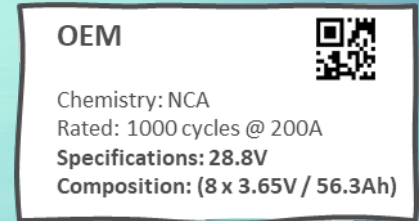
Standardized Data



Repair Information



Battery Labeling



# Environmental justice values to incentivize direct automaker action

## Option 1

**Discounted  
ZEVs in  
Community  
Programs**

## Option 2

**Lower MSRP  
ZEVs**

## Option 3

**More Used  
ZEVs to  
Participating  
Dealerships**



# Advanced Clean Cars II Benefits Californians



Greenhouse gas emissions from passenger vehicles reduced by more than 50% in 2040

Smog-forming emissions from passenger vehicles reduced by more than 25% in 2037



Avoided health impacts worth nearly \$13B



Consumer savings as much as \$7,900 in first 10 years

# 15-day Modifications: Expand EJ Opportunities

- Values can be earned as early as 2024 MY for discount given to community car share programs
- Additional (0.15) value given for used ZEVs and PHEVs that are sold to financial assistance program participants

# Additional 15-day Changes: Cumulative Cap and EJ Participation

Background: ACC I Credits can be used, under a cap in ACC II through 2030 MY, if shortfall

1. Annual Cap Option: Up to 15%
2. Cumulative Cap Option
  - If continued EJ participation: 15% for Cumulative Cap (up to 75% over a 5 year period)
  - Default: Equivalent to 10% for 5 years (50% over a 5 year period)

# 15-day Modifications: ZEV Durability

- Durability Standard for 10 years/150,000 miles:

	ISOR Proposal	15-Day Proposal
Useful Life	10 years /150,000 miles	No change
Phase 1	2026-2030: 75% on average	2026 – 2029: 70% for 70% of fleet
Phase 2	2031+: 80% on average	2030+: 80% on average

- Phase in enforcement standards

# Resolution 22-12

- Track and report on ZEV market development:
  - Annual compliance with ZEV Regulation
  - Analysis of EJ Vehicle Values
  - Deployment of ZEVs in California, particularly in low-income and disadvantaged communities
- Work with manufacturers, public interest organizations, EJ groups, and equity groups to promote access to ZEVs
- Coordinate with Heavy-Duty Low-NOx to assure alignment on MDVs

# CEQA Environmental Analysis

- Draft Environmental Analysis (EA) completed
  - Beneficial and potentially significant impacts found for some resource areas
- Released for public comment
  - April 15, 2022 – May 31, 2022
- CARB prepared the Final EA and written responses to comments received on the Draft EA
  - Released in August 2022

# The Pathway to Success

- ZEV Market Development Strategy: Partnering with sister CA agencies
- 2022 – 2023 California Budget: \$2.7 Billion + \$3.9 Billion over 3 years
- Recent Federal Infrastructure and Climate Legislation
- Section 177 State adoption expected over next 18 months

# Staff Recommendation: Approve Resolution 22-12

- Certify the Final EA, including the written responses to comments on the CEQA EA, and make the required CEQA findings of overriding considerations
- Adopt the proposed ACC II Regulations as proposed and modified



# Next Steps

- Prepare written responses to public comments in the Final Statement of Reasons
- Submit to CA Office of Administrative Law
- Request waiver from U.S. EPA to enforce regulations

