



**Proposed Amendments to the Advanced  
Clean Trucks (ACT) Regulation and the Zero-  
Emission Powertrain Certification Test  
Procedure**

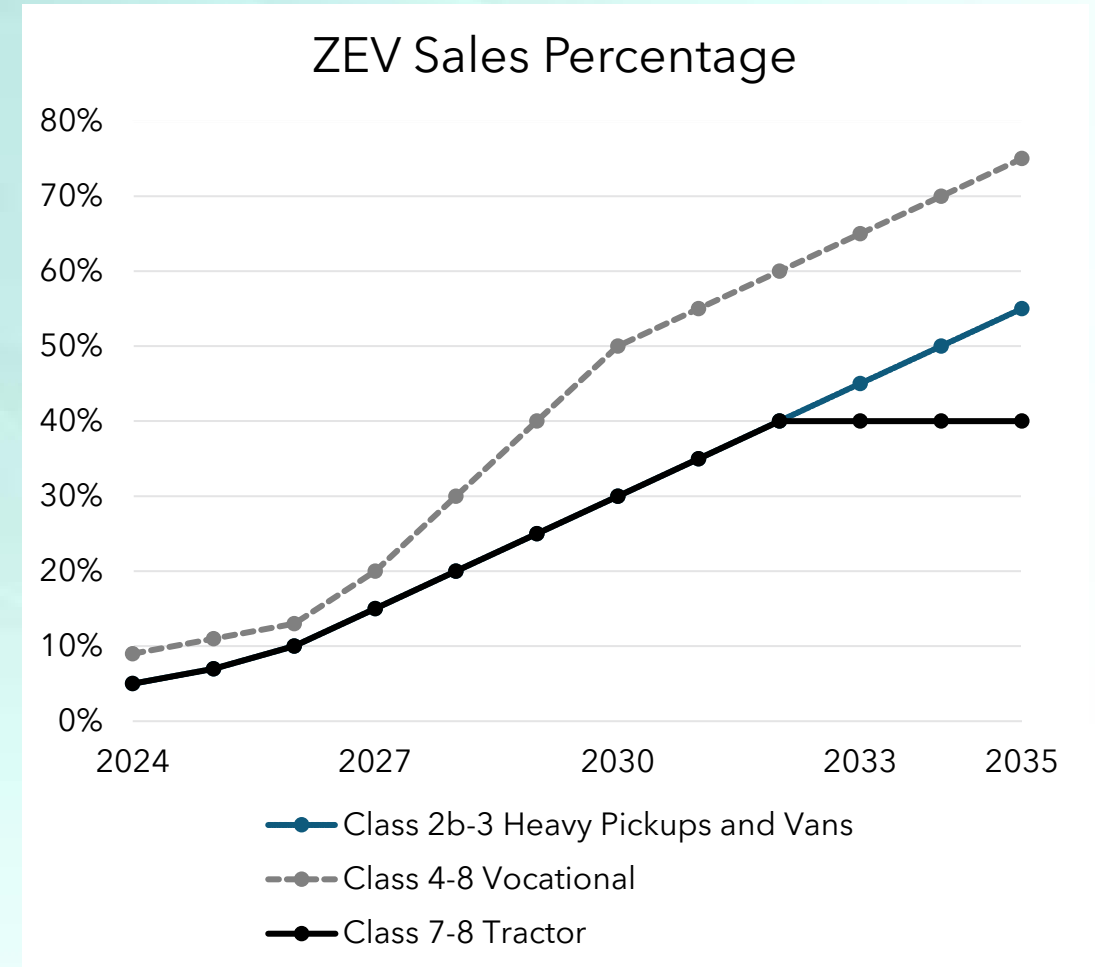
Agenda Item No.: 24-5-5

# Overview

- Background and direction from May Hearing
- Summary of proposed amendments
- Next steps

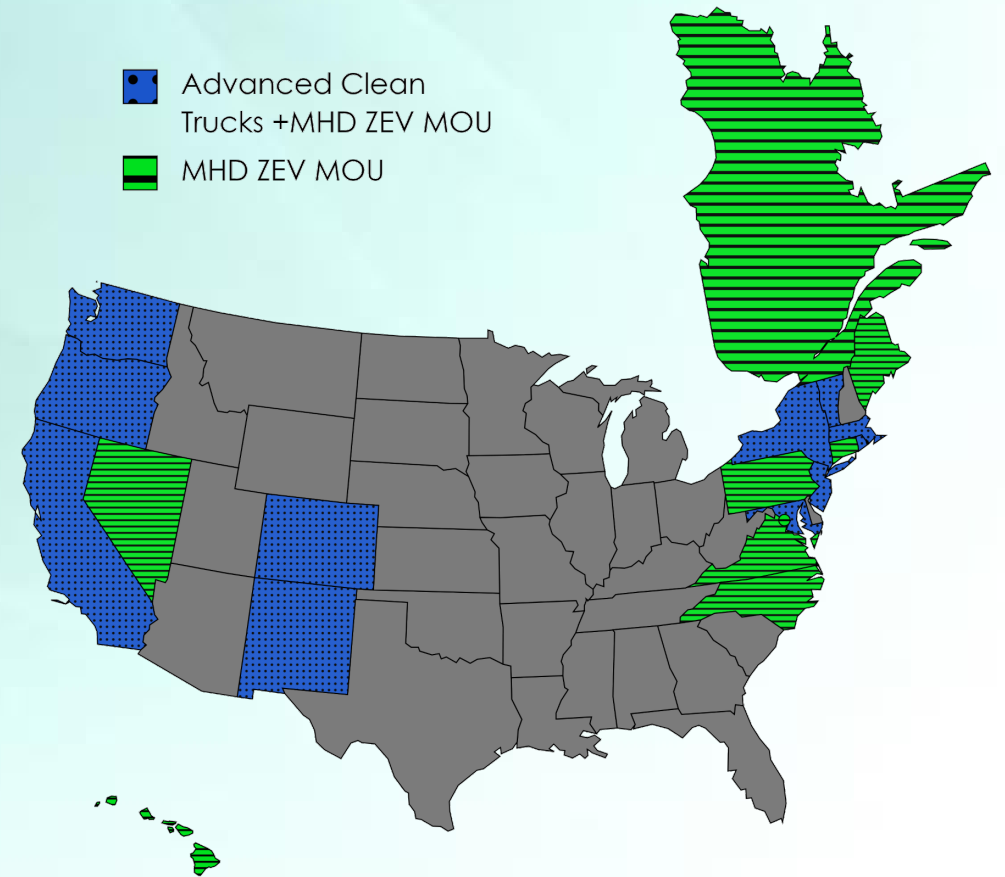
# Advanced Clean Trucks Regulation

- Adopted June 2020
- Manufacturers to sell zero-emission vehicles (ZEV) 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 ZEVs to California by 2035



# Current Status of Advanced Clean Trucks

- Met 2025 requirement in 2023 – two years ahead of schedule
  - 2023 model year (MY) data shows ~16% ZEV sales – one in six
  - Abundance of credits expected for 2024 MY
- 10 other states have adopted the ACT regulation
  - 25% of US truck sales



# Zero-Emission Powertrain Certification

- Adopted July 2019
- Optional certification pathway for heavy-duty and incomplete medium-duty ZEVs
- ACT requires ZEP certification starting with the 2024 MY to earn ZEV credits for applicable vehicles
  - Not applicable to complete medium-duty vehicles
  - Increases consumer protection for ZEVs

# Clean Truck Partnership

- CARB staff agreed to align with 2027 EPA NOx standards, provide flexibility and lead time
- Manufacturers agree to comply with specified CARB truck regulations regardless of litigation outcomes
- Includes a commitment to comply with 100% zero-emission (ZE) sales starting with the 2036 MY



DAIMLER TRUCK



# Actions Taken Following May Hearing

- ACT amendments proposed at May 2024 hearing
  - Board deferred its vote in response to comments
- Staff held 40+ meetings with stakeholders, fleets, and dealers
- Per Board member direction, CARB staff sent a memo to the Board regarding zero-emission truck pricing and product availability
  - Posted online September 25, 2024

# Product Availability Overview

- All diesel heavy-duty vehicles in Class 4 and above are affected
- Availability issues for the 2024 MY are not caused by the ACT regulation
- Several contributing factors
  - Manufacturer decisions surrounding the Omnibus regulation, supply chain issues, nationwide downturn in market, and more

# Solutions Addressing Availability Concerns

- Actions manufacturers are taking
  - New Omnibus-compliant engines being certified
  - New and improved ZEVs coming to market
  - Cummins mitigation plan for disadvantaged community projects to offset legacy engine emissions
- Actions CARB staff are taking
  - Omnibus legacy engine cap adjustments
  - Extend Advanced Clean Fleets Omnibus provision for out-of-state fleets to 2026
  - Proposed ACT amendments

# Solutions Addressing Availability Concerns (Continued)

- Proposed ACT amendments
  - Originally-proposed flexibility options for manufacturers
  - Vehicle upfitters can purchase and sell credits
  - Cleanest heavy heavy-duty engines do not generate ACT deficits for 2026 MY



# **Summary of Proposed Amendments**

# Remove Ultimate Purchaser Language

- Deficits/credits are solely accrued for vehicles produced and delivered for sale in California
  - Initial compliance previously based on vehicle deliveries to the ultimate purchaser

# Extend Deficit Makeup Period

- Increase the deficit makeup period from one model year to three model years
- Initial net deficit balance must:
  - Be within 30 percent or less of the deficits generated from the most recent model year
  - Must eliminate deficits by end of third model year
- Period begins with the first model year following the model year in which deficits are accrued

# Other Changes

- Permit secondary vehicle manufacturers to opt into the ACT credit trading and transfer provision
- Permit up to 50 percent of the deficits generated in a model year utilizing the deficit makeup period to be made up with NZEV credits
- Provide labeling option to protect against vehicle placement in an unintended state

# Other Changes Cont.

- Conforming changes for Clean Truck Partnership agreement
- Improved alignment with Advanced Clean Cars and Advanced Clean Fleet's 100% zero-emission sales by 2036 requirement
- Updated reporting and recordkeeping requirements to ease implementation
- Other minor changes

# New Options for Medium-Duty ZEV Certification

- Modified requirements to earn ACT credits for medium-duty ZEVs
  - Outlined existing certification requirements
  - Added option to use expanded ZEP Certification procedure newly applicable to complete medium-duty ZEVs
  - Added option to use Advanced Clean Cars I certification procedure for complete medium-duty ZEVs after 2025 MY

# Next Steps

- Approve Resolution 24-5 which includes:
  - Adopt the proposed amendments
  - Direct the Executive Officer to submit the amendments to the U.S. Environmental Protection Agency for inclusion in the California State Implementation Plan
- Staff to issue second 15-day changes
  - Provide further targeted flexibility to help address product availability