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Purpose and Rationale for 100 Percent Medium and Heavy-Duty Zero-Emission Vehicle Sales Requirements

Advanced Clean Fleets Regulation

California Air Resources Board

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Section 2016. 100 Percent Medium- and Heavy-Duty Zero-Emission Vehicle Sales

Purpose

The purpose of this section is to describe the 100 Percent Medium- and Heavy-Duty Zero-Emission Vehicle Sales requirements in the proposed ACF regulation, to identify the regulated entities, to set forth definitions for various terms used through the regulation text, describe the general requirements, and list reporting, recordkeeping, and enforcement requirements.

Rationale

This section is necessary to identify the general purpose of the proposed regulations is to accelerate the market for medium- and heavy-duty ZEVs as part of California's strategy to reduce emissions. The section also is necessary to identify the scope of the proposed regulation and who is subject to its requirements, and to set forth definitions for various terms used in the proposed regulation. Additionally, the section is needed to identify the basic compliance requirements and to whom the requirements apply.

Section 2016 (a) Sunset Provision

Purpose

The purpose of this section is to identify the date when the ACT regulation's requirements will sunset in lieu of this new section at the end of the 2039 model year.

Rationale

This section is necessary to inform regulated parties which regulation they are regulated under and to ensure no manufacturer is subject to two different sets of requirements at the same time.

Section 2016. (b) Scope and Applicability

Purpose

The purpose of this subsection is to identify manufacturers that certify vehicles over 8,500 lbs. GVWR for sale in California as the regulated parties for this section.

Rationale

This subsection is necessary to establish who are the regulated parties. This regulation is intended to reduce emissions from on-road medium and heavy-duty vehicles manufactured and sold into California through the use of ZEV technologies. Regulating the manufacturer is necessary to ensure that ZEVs are being produced and delivered for sale in California by

ensuring there is adequate supply of ZEVs. The scope is designed to be the same as the adopted ACT regulation to synergize and avoid confusion.

Section 2016. (c) Definitions

Purpose

The purpose of this subsection is to set forth definitions for terms used in the proposed regulation order and identifies the sections for which the definitions apply.

Rationale

This subsection is necessary to define terms and to provide clarity as to what is required and how the proposed regulation's requirements must be met.

"Authorized Emergency Vehicle"

Purpose

The purpose of this definition is to define "authorized emergency vehicle" as a vehicle as defined in CVC section 165.

Rationale

This definition is necessary establish a definition of an authorized emergency vehicle which is needed as these vehicles are exempt from the proposed regulation. This definition points to the CVC to use a common definition at the state level.

"Executive Officer"

Purpose

The purpose of this definition is to define the executive officer or delegated representative of the CARB.

Rationale

This definition is necessary to identify the representative of the CARB to whom manufacturers must submit reporting information and make available information for audits.

"Gross Vehicular Weight Rating" or "GVWR"

Purpose

The purpose of this definition is to define "gross vehicle weight rating" or "GVWR" as the same as CVC section 350, as indicated by the characters in the 4-8 positions in a standard 17-character VIN.

Rationale

This definition is necessary to ensure all manufacturers will use the same criteria to determine a vehicle's weight class to ensure vehicles within the scope of the proposed regulation are properly counted.

“Manufacturer”

Purpose

The purpose of this definition is to define "manufacturer" as any entity or person who manufactures or assembles new on-road motor vehicles or yard tractors, or imports such vehicles for resale, or who acts for and is under the control of any such person in connection with the distribution of new motor vehicles but shall not include any dealer with respect to new motor vehicles received in commerce. In general, the term manufacturer includes any person who manufactures or assembles an on-road vehicle, a cab and chassis, or other incomplete on-road vehicle for sale in California, or otherwise introduces a new on-road motor vehicle into commerce in California. This includes importers who import on-road vehicles for resale. This does not include persons who supply parts to the importer or vehicle manufacturer of record.

Rationale

This definition is necessary to describe what a manufacturer is in order to establish the scope of the regulations to only affect intended parties. The definition closely aligns with existing regulations including the ACT and Phase 2 Greenhouse Gas regulations for consistency. Dealers are excluded because they do not manufacture vehicles but may be construed as representing a manufacturer and are a point of sale. Importers of vehicles for resale are included to capture out-of-state manufacturers who may not sell directly in California but work through importers. Parts and component suppliers are excluded as the scope of the proposed regulation is on vehicle manufacturers.

“Model Year”

Purpose

The purpose of this definition is to define "model year" as a designation meeting the definition of "model year" under title 17, CCR section 95662(a)(16).

Rationale

This definition is needed to clearly define model year and to avoid potential confusion with differing model year definitions for the same vehicle sold in California that may be counted when determining compliance with different regulations that apply to the manufacturer. Using the same definition as the Phase 2 GHG regulations allows the same information to be used in reporting compliance with both regulations without adding additional reporting

burden and it already includes limits on the manufacturer model year designation to prevent circumventing the proposed regulation requirements.

“Vehicle” or “on-road vehicle”

Purpose

The purpose of this definition is to define "vehicle" or "motor vehicle" as self-propelled equipment that has a GVWR greater than 8,500 lbs. that is intended for use on highways and meets the definition set forth in title 17, CCR section 95662(a)(26) and is not a trailer as defined in title 17, CCR section 95662(a)(24).

Rationale

This definition is necessary to inform regulated entities as to which subset of vehicle sales are included in the scope of the proposed regulation and which are not. This definition includes vehicles with a GVWR above 8,500 lb. as this captures all medium- and heavy-duty vehicles which are currently subject to the ACT regulation. It is also necessary to narrow the scope of the proposed regulation to heavier vehicles that are not trailers, as trailers are not self-propelled equipment and are not within the scope of this proposed regulation.

“Zero-emission vehicle” or “ZEV”

Purpose

The purpose of this definition is to define "zero-emissions vehicle" or "ZEV" as a vehicle with a ZEs powertrain that produces zero exhaust emission of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions.

Rationale

This definition is necessary to simplify the language by grouping all ZEV types in this definition. This allows the language to address all ZEVs together rather than needing to describe each type of ZEV separately each time it is needed.

Section 2016. (d) 2040 ZEV Requirement

Purpose

The purpose of this section is to set forth the sales requirements for manufacturers after 2040 which does not apply to authorized emergency vehicles.

Rationale

This section is necessary to establish a requirement where all medium- and heavy-duty sales must be ZE. This is critical as it signals the endpoint combustion-powered sales in California and makes significant progress towards meeting the goals laid out in the Governor’s

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Executive Order (N-79-20), specifically the target to achieve a 100 percent ZE medium- and heavy-duty fleet by 2045 everywhere feasible. This requirement also achieves several other key goals: it also provides certainty for service technicians, utilities, and infrastructure providers for planning and making the needed infrastructure investments, it gives our sister agencies the direction they need to implement their own programs supporting medium- and heavy-duty electrification, and it provides fleets with more certainty and makes it more likely that ZEVs will be made available at a price point that is competitive with conventional technologies.

Authorized emergency vehicles are excluded from the proposed regulation as CARB does not have authority to regulate these vehicles under CVC 27156.2

Section 2016. (e) Zero-Emission Powertrain Certification Requirement

Purpose

The purpose of this section is to continue the ACT regulation's requirement that that vehicle with a GVWR above 14,000 lbs. and incomplete vehicles with a GVWR between 8,501 lbs. and 14,000 lbs. are certified using the Zero-Emission Powertrain Certification procedures.

Rationale

This subsection is necessary to continue existing certification requirements for zero-emission vehicles that are sold into California as a result of this regulation. The Zero-Emission Powertrain Certification regulation is not applicable to complete vehicles with a GVWR from 8,501 through 14,000 lbs. GVWR. This requirement is necessary to establish minimum criteria for the quality and reliability of ZEVs, ensure information regarding ZEVs and their powertrains are effectively and consistently communicated to purchasers, and to accelerate progress towards greater vehicle reparability. Adding market transparency, consistency, and stability is critical for broad market adoption of ZE technology in the heavy-duty sector.

Section 2016. (f) (1-3). Reporting Requirements

Purpose

The purpose of this section is to establish reporting requirements for regulated manufacturers is for every manufacturer to report the required information of each on-road vehicle produced and delivered for sale in California to the Executive Officer starting in 2040 and no later than 90 calendar days following the end of each model year.

Rationale

This section is necessary to establish a reporting deadline for manufacturers and identify the types of information a manufacturer must report to CARB. The Vehicle Identification Number is needed to track every individual vehicle sold by manufacturers. The fuel and drivetrain type are needed to have necessary information to ensure vehicles being sold are ZE. Documentation showing combustion-powered vehicles are authorized emergency vehicles is

needed to ensure manufacturers are lawfully selling these vehicles and not violating the proposed regulation's requirements.

Section 2016. (g). Retention of Records

Purpose

The purpose of this section is to establish a timeline of eight years past the model year during which manufacturers must keep reporting records for vehicles produced and sold in California during the model year

Rationale

This section is necessary to ensure records are available for audit and enforcement of the regulation. Additionally, eight years is consistent with the record retention timeframe of the California Phase 2 GHG regulation as well as the ACT regulation which reduces confusion and burden of record retention requirements.

Section 2016. (h). Enforcement of Requirements

Purpose

The purpose of this section is to establish the rights of CARB to audit records, enter facilities where vehicles or records are kept, establish penalties, and establish the proposed regulation's severability.

Rationale

This section is necessary to establish that manufacturers must keep and make available records to prove vehicle California sales numbers to ensure accuracy of reported information and enforceability of this proposed regulation.

Subsection 2016. (h) (1). Audit of Records

Purpose

The purpose of this subsection is to set forth the rights of CARB to audit a manufacturer's records, the authority of CARB to invalidate credits deemed to be obtained based on falsified information, and a notice to manufacturers of the type of information provided to CARB may be made public.

Rationale

The reason for this subsection is to ensure a timely response to CARB inquiries and to ensure all regulated parties subject to this proposed regulation respond in a similar timeframe. This is also to prevent any possible loss of information between the audit notification and the time the audit takes place.

Subsection 2016.(h) (2). Penalty for Selling Combustion Powered Vehicles after 2040

Purpose

The purpose of this subsection is to inform any manufacturer who fails to comply with the performance requirements of this regulation, who fails to submit any information, report, or statement required by this regulation, or who knowingly submits any false statement or representation in any application, report, statement, or other document filed, maintained, or used for the purposes of compliance with this regulation may be subject to penalties.

Rationale

This subsection is necessary to make clear that penalties may be imposed for failing to comply, report, or submitting false information for the purposes of compliance.