

Updated Informative Digest

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

Sections Affected:

Proposed amendments to California Code of Regulations, title 13, sections 1956.8, 1963, 1963.1, 1963.2, 1963.3, 1963.4, and 1963.5, and proposed adoption of new section 1963.6.

Documents Incorporated by Reference (Cal. Code Regs., tit. 1, § 20, subd. (c)(3)):

The following would be incorporated in the regulation by reference as specified by the following sections:

- Title 40, Code of Federal Regulations section 1037.801, last amended by the United States Environmental Protection Agency (U.S. EPA) on January 24, 2023.

Background and Effect of the Proposed Regulatory Action:

In January 2021, the California Air Resources Board (CARB or Board) adopted the Advanced Clean Trucks (ACT) regulation as part of California's comprehensive strategy to reduce harmful emissions from medium- and heavy-duty vehicles to the greatest degree feasible. Achieving California's long-term air quality, climate, and public health goals will require emission reductions beyond conventional combustion technologies to zero-emission everywhere feasible and near-zero-emission powered by clean, low-carbon renewable fuels everywhere else. Promoting the development and use of zero-emission trucks will contribute to the goals set by the Governor's Executive Order N-79-20 and the Sustainable Freight Action Plan, and will help achieve emission reductions as outlined in the State Implementation Plan, Senate Bill (SB) 350 (de León, Chapter 547, Statutes of 2015), Assembly Bill (AB) 32 (Nuñez, Chapter 488, Statutes of 2006), and SB 32 (Pavley, Chapter 249, Statutes of 2016), and AB 1279 (Muratsuchi, Chapter 337, Statutes of 2022). This effort is part of a broader strategy to increase clean, affordable transportation options such as zero-emission technologies, innovative methods to improve freight activity, and efficiency of transportation systems in California.

In July 2019, CARB adopted the Zero-Emission Powertrain Certification (ZEP Certification) test procedure which established new, alternative certification procedures for heavy-duty battery-electric and fuel-cell vehicles and the zero-emission powertrains they use. The ZEP Certification establishes a process that can be used to provide additional transparency, consistency, and stability in heavy-duty zero-emission market segments targeted by CARB's technology-forcing regulatory measures or incentives geared to deploying more-commercialized zero-emission vehicles. The ACT regulation requires manufacturers to utilize ZEP Certification starting with the 2024 model year for heavy-duty and incomplete medium-

duty zero-emission vehicles (ZEV) to earn ZEV credits. With the proposed amendment, ZEP Certification would become an optional certification pathway for complete medium-duty ZEVs.

Objectives and Benefits of the Proposed Regulatory Action:

The proposed amendments to the ACT regulation include items that honor commitments made by CARB staff in the Clean Truck Partnership. The changes include increasing the deficit makeup period and clarifying that compliance determination and sales reporting requirements are both defined when vehicles are produced and delivered for sale in California instead of when the vehicles are delivered to the ultimate purchaser. Additionally, the proposed amendments would make minor adjustments to address issues that have arisen through implementation and will ensure closer alignment with the regulation's original intent. These amendments are generally minor administrative changes that have minimal cost impacts and no significant emissions impact. Additionally, the proposed amendment to ZEP Certification aims to provide greater flexibility for manufacturers to certify complete medium-duty ZEVs.

Description of Regulatory Action

The Staff Report: Initial Statement of Reasons for Rulemaking (Staff Report), entitled Public Hearing to Consider Proposed Amendments to the Advanced Clean Trucks Regulation and the Zero-Emission Powertrain Certification Test Procedure, released March 26, 2024, is incorporated by reference herein. The Staff Report contained a description of the rationale for the proposed amendments. On March 26, 2024, all references relied upon and identified in the staff report were made available to the public.

As explained in the Staff Report, the proposed amendments would make minor adjustments to address issues that have arisen through implementation, will ensure close alignment with the regulation's original intent, and honor commitments made in the Clean Truck Partnership agreement. These amendments are generally minor, administrative changes that have an ultimate total net decrease in costs when compared to the baseline and no significant emissions impact.

The proposed amendments were initially presented to the Board at the public hearing held on May 23, 2024. The Board received 20 written comment letters during the 45-day comment period, and an additional written comment was submitted on the day of the Hearing. A total of 22 stakeholders submitted testimony during the Hearing. One additional written comment was submitted outside of the comment period. At the Hearing, numerous upfitters and dealers spoke about their current inability to receive combustion products from manufacturers in California. They primarily attributed the issue of limited chassis availability to the ACT regulation. In response to these comments, the Board deferred its vote on the proposed ACT amendments to a future hearing and directed staff to work with industry to assess the situation further. CARB staff released a memo to the Board on September 25, 2024,¹ that summarizes staff's findings based on conversations with the affected parties which concluded that the engine availability issue in 2024 was primarily due to other factors other than the ACT regulation.

In response to comments received during the 45-day comment period and at the May Hearing, CARB staff proposed additional changes, made available, in addition to supporting documents,

¹ CARB, Memo to Board - Subject: California Truck Availability Analysis, September 25, 2024, https://ww2.arb.ca.gov/sites/default/files/2024-09/240925_actmemo_ADA_0.pdf, last accessed September 27, 2024.

for a 15-day comment period through a “Notice of Public Availability of Modified Text” (15-Day Notice). The 15-Day Notice and modified regulatory language were posted on October 7, 2024, for public review and comment through October 22, 2024. During the comment period, the Board received 29 additional written comments and were subsequently considered by the Board.

CARB staff returned to present the proposed amendments to the Board on October 24, 2024. At the conclusion of the Hearing, Resolution 24-5 was approved, approving for adoption new section 1963.6 and amendments to sections 1956.8, 1963, 1963.1, 1963.2, 1963.3, 1963.4, and 1963.5, of title 13, California Code of Regulations.

In response to comments received during the 15-day comment period and at the October Hearing, CARB staff proposed further changes, made available, in addition to supporting documents, for a 15-day comment period through a “Second Notice of Public Availability of Modified Text” (Second 15-Day Notice). The Second 15-Day Notice and modified regulatory language were posted on November 21, 2024, for public review and comment through December 6, 2024. During the comment period, the Board received 14 additional written comments.

The texts of the proposed regulatory and staff report modifications were posted on [CARB's ACT website](https://www2.arb.ca.gov/rulemaking/2024/advancedcleantrucks) at <https://www2.arb.ca.gov/rulemaking/2024/advancedcleantrucks>, accessible to all stakeholders and interested parties. The proposed modifications in both 15-day notices included:

- Excluding any on-road vehicles produced or delivered for sale in California that are powered by new 2026 model year heavy-duty engines compliant with the Heavy-Duty Engine and Vehicle Omnibus regulation from the deficit generation requirements;
- Permitting up to 50 percent of the deficits utilizing the deficit makeup period to be made up with near-zero-emission vehicle credits;
- Providing flexibility for manufacturers to certify to the requirements of the ZEP Certification or the applicable requirements of the light-duty ZEV requirements;
- Permitting secondary vehicle manufacturers to opt into the ACT credit trading and transfer provision;
- Adding a vehicle labeling option to identify vehicles intended for sale in California;
- Adding language to notify manufacturers that reported credits and deficits will be adjusted to account for actual vehicle sales in California unless the manufacturer has clearly labeled in the Manufacturer's Statement of Origin as to whether or not the vehicle was intended for sale in California;
- Allowing manufacturers to update vehicle reports for up to three previous model years;
- Removing the option to report grouped sales, while maintaining the requirement to report vehicles individually; and
- Other minor changes to the reporting requirements and definitions.

Comparable Federal Regulations:

There are no federal requirements for manufacturers to sell ZEVs, including those with a gross vehicle weight rating greater than 8,500 lb.

An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):

There are no inconsistencies or incompatibilities with existing state regulations. Instead, the proposed amendments incorporate references to the Advanced Clean Cars (ACC) II regulations in section 1963.2(j) to protect against manufacturers double-counting credits from selling a medium-duty ZEV into California under both the ACT regulation and the ACC II regulations for the 2024 and 2025 model years. Additionally, language was added to section 1963.2(j) to establish that, beginning with the 2026 model year, medium-duty ZEVs produced and delivered for sale in California that are counted towards the ACC II regulations will not be counted towards the ZEV deficit generated under the ACT regulation.