

PROPOSED MODIFICATIONS TO THE PROPOSED REGULATION ORDER

Note: The text of the originally proposed amendments is shown in underline to indicate additions and ~~strikeout~~ to indicate deletions. Proposed modifications to the originally proposed text are shown in double-underline to indicate additions and ~~double-strikeout~~ to indicate deletions. In sections 1900(b)(19) and 1962(b)(4), title 13, California Code of Regulations, changes which were adopted by the Air Resources Board following a January 25, 2001 hearing, but have not yet approved by the Office of Administrative Law, are shown in dotted underline to indicate additions and ~~**bold italic-strikeout**~~ to indicate deletions. Subsection headings are shown in italics and are to be italicized in Barclays California Code of Regulations. Commentaries explaining the rationale for modifications are shown in indented and bracketed italics; they are not part of the regulations.

1. Amend section 1900(b)(~~17~~)(18) and 1900(b)(~~18~~)(19), title 13, California Code of Regulations, to read as follows:

(b)(18) "Small volume manufacturer" means, with respect to the 2001 and subsequent model-years, a manufacturer with California sales less than 4,500 new passenger cars, light-duty trucks, medium-duty vehicles, heavy-duty vehicles and heavy-duty engines based on the average number of vehicles sold for the three previous consecutive model years for which a manufacturer seeks certification; however, for manufacturers certifying for the first time in California model-year sales shall be based on projected California sales. A manufacturer's California sales shall consist of all vehicles or engines produced by the manufacturer and delivered for sale in California, except that vehicles or engines produced by the manufacturer and marketed in California by another manufacturer under the other manufacturer's nameplate shall be treated as California sales of the marketing manufacturer. For purposes of compliance with the zero-emission vehicle requirements, heavy-duty vehicles and engines shall not be counted as part of a manufacturer's sales. For purposes of applying the 2003 and subsequent model year zero-emission vehicle requirements for small-volume manufacturers under section 1962(b), the annual sales from different firms shall be aggregated in the case of (1) vehicles produced by two or more firms, each one of which either has a greater than 50% equity ownership in another or is more than 50% owned by another; or (2) vehicles produced by any two or more firms if a third party has equity ownership of greater than 50% in each firm.

(b)(19) "Intermediate volume manufacturer" means any pre-2001 model year manufacturer with California sales between 3,001 and ~~35,000~~ 60,000 new light- and medium-duty vehicles per model year based on the average number of vehicles sold by the manufacturer each model year from 1989 to 1993; any 2001 through 2002 model year manufacturer with California sales between 4,501 and ~~35,000~~ 60,000 new light- and medium-duty vehicles per model year based on the average number of vehicles sold by the manufacturer each model year from 1989 to 1993; and any 2003 and subsequent model year manufacturer with California sales between 4,501 and ~~35,000~~ 60,000 new light- and medium-duty vehicles based on the average number of vehicles

sold for the three previous consecutive model years for which a manufacturer seeks certification. For a manufacturer certifying for the first time in California, model year sales shall be based on projected California sales. For purposes of applying the 2003 and subsequent model year zero-emission vehicle requirements for intermediate-volume manufacturers under section 1962(b), the annual sales from different firms shall be aggregated in the case of (1) vehicles produced by two or more firms, each one of which either has a greater than 50% equity ownership in another or is more than 50% owned by another; or (2) vehicles produced by any two or more firms if a third party has equity ownership of greater than 50% in each firm.

[Commentary: The changes in subsection numbering correct errors in the original Proposed Regulation Order, which did not accurately reflect the existing numbering in Barclays California Code of Regulations.]

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Note: Authority cited: Sections 39600, 39601, 43013, 43018, 43101, and 43104 Health and Safety Code. Reference: Sections 39002, 39003, 39010, 39500, 40000, 43000, 43013, 43100, 43101, 43101.5, 43102, 43104, 43106, and 43204, Health and Safety Code.

2. Amend section 1962(b)(4), title 13, California Code of Regulations, to read as follows:

(b)(4)(5) Changes in Small Volume, Independent Low Volume, and Intermediate Volume Manufacturer Status.

(A) Increases in California Production Volume. In 2003 and subsequent model years, if a small volume manufacturer's average California production volume exceeds 4,500 units of new PCs, LDTs, and MDVs based on the average number of vehicles produced and delivered for sale for the three previous consecutive model years, or if an independent low volume manufacturer's average California production volume exceeds 10,000 units of new PCs, LDTs, and MDVs based on the average number of vehicles produced and delivered for sale for the three previous consecutive model years, or if an intermediate volume manufacturer's average California production volume exceeds 60,000 units of new PCs, LDTs, and MDVs based on the average number of vehicles produced and delivered for sale for the three previous consecutive model years, the manufacturer shall no longer be treated as a small volume, independent low volume, or intermediate volume manufacturer, as applicable, and shall comply with the ZEV requirements for independent low volume, intermediate volume or large volume manufacturers, as applicable, beginning with the ~~fourth~~ sixth model year after the last of the three consecutive model years. ~~(B)~~ The lead time shall be four rather than six years where a manufacturer ceases to be a small or intermediate volume manufacturer in the 2003 or subsequent years due to the aggregation requirements in majority ownership situations, except that if the majority ownership in the manufacturer was acquired prior to the 2001 model year, the manufacturer must comply with the stepped-up ZEV requirements starting in the 2010 model year.

(B) Decreases in California Production Volume. If a manufacturer's average California production volume falls below 4,500, 10,000 or ~~35,000~~ 60,000 units of new PCs, LDTs, and MDVs, as applicable, based on the average number of vehicles produced and delivered for sale for the three previous consecutive model years, the manufacturer shall be treated as a small volume, independent low volume, or intermediate volume manufacturer, as applicable, and shall be subject to the requirements for a small volume, independent low volume, or intermediate volume manufacturer beginning with the next model year. In determining small volume manufacturer status, vehicles produced by one manufacturer and marketed in California by another manufacturer under the other manufacturer's nameplate shall be treated as part of the California production volume of the sales of the marketing manufacturer.

(C) Calculating California Production Volume in Change of Ownership Situations. Where a manufacturer experiences a change in ownership in a particular model year, the change will affect application of the aggregation requirements on the manufacturer starting with the next model year. The manufacturer's small or intermediate volume manufacturer status for the next model year shall be based on the average California production volume in the three previous consecutive model years of those manufacturers whose production volumes must be aggregated for that next model year. For example, where a change of ownership during the 2004 model year results in a requirement that the production volume of Manufacturer A be aggregated with the production volume of Manufacturer B, Manufacturer A's status for the 2005 model year will be based on the production volumes of Manufacturers A and B in the 2002-2004 model years. Where the production volume of Manufacturer A must be aggregated with the production volumes of Manufacturers B and C for the 2004 model year, and during that model year a change in ownership eliminates the requirement that Manufacturer B's production volume be aggregated with Manufacturer A's, Manufacturer A's status for the 2005 model year will be based on the production volumes of Manufacturers A and C in the 2002-2004 model years. In either case, the lead time provisions in section 1962(b)(5)(A) and (B) will apply.

[Commentary:

- (i) Section 1962(b)(5)(A) and (B) in the original proposal are reorganized, and headings are added, for clarity. Some organizational improvements, including the use of headings, reflect nonsubstantive changes since the proposed modified text that was distributed just prior to the hearing. The text now shown as § 1962(b)(5)(B) is part of the existing § 1962(b)(5) text that was mistakenly omitted in the original Proposed Regulation Order. The proposed new language that made up new § 1962(b)(5)(B) in the original proposal is now in § 1962(b)(5)(A), because it represents part of the requirements triggered when a manufacturer's California production volume increases.

- (ii) *The modifications add new text to the end of § 1962(b)(5)(A) to provide greater lead time where the aggregation requirements in majority ownership apply to a manufacturer that became majority-owned by another manufacturer prior to the 2001 model year – in other words, prior to this rulemaking. In such a situation, the two manufacturers were not aware of the new aggregation requirement at the time of the acquisition and additional lead time to make cycle plan changes as appropriate.*
- (iii) *The new language in § 1962(b)(5)(C) makes clear how production volumes for the three previous consecutive model years are to be calculated in change of ownership situations. The approach taken is the most consistent with the preexisting regulatory principles.]*

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Note: Authority cited: Sections 39600, 39601, 43013, 43018, 43101, 43104 and 43105, Health and Safety Code. Reference: Sections 39002, 39003, 39667, 43000, 43009.5, 43013, 43018, 43100, 43101, 43101.5, 43102, 43104, 43105, 43106, 43107, 43204, and 43205.5, Health and Safety Code.

3. Adopt section 1962.1, title 13, California Code of Regulations, to read as follows:

§ 1962.1. Electric Vehicle Charging Requirements.

(a) *Applicability.* This section applies to: (1) all ~~B~~ battery ~~E~~ electric ~~V~~ vehicles which that qualify for 1.0 or greater ZEV credit under section 1962; and (2) all ~~extended range~~ hybrid electric vehicles that are capable of being recharged by a battery charger that transfers energy from the electricity grid to the vehicle for purposes of recharging the vehicle traction battery, other than battery electric vehicles and hybrid electric vehicles that are only capable of Level 1 charging.

(b) *Definitions.*

(1) The definitions in section 1962 apply to this section.

(2) "Level 1 charging" means a charging method that allows an electric vehicle or hybrid electric vehicle to be charged by having its charger connected to the most common grounded receptacle (NEMA 5-15R). A vehicle that is only capable of Level 1 charging is one that is charged by an on-board or off-board charger capable of accepting energy from the existing AC supply network. The maximum power is 12 amps, with a branch circuit rating of 15 amps, and continuous power of 1.44 kilowatts.

(b)(c) *Requirements.* Beginning with the 2006 model year, all vehicles identified in subsection (a) must be equipped with a conductive charger inlet port, which meets all the specifications contained in Society of Automotive Engineers (SAE) Surface Vehicle

Recommended Practice: SAE J1772 REV NOV 2001, SAE Electric Vehicle Conductive Charge Coupler J1772 (SAE J1772, 2001 revision, currently in draft form), which is incorporated herein by reference. All such vehicles must be equipped with an on-board charger with a minimum output of 3.3 kilovolt amps.

~~(c) This section does not apply to:~~

~~(1) Battery Electric Vehicles which qualify for less than 1.0 ZEV credit;~~

~~(2) Neighborhood Electric Vehicles;~~

~~(3) Battery Electric Vehicles which qualify for 1.0 or greater ZEV credit and which are only capable of Level 1 charging. "Level 1 charging" means "a charging method that allows an electric vehicle or extended range hybrid electric vehicle to be connected to the most common grounded receptacle (NEMA 5-15R)." A vehicle that is only capable of Level 1 charging is one that is equipped with an on board charger capable of accepting energy from the existing AC supply network. The maximum power is 12 amps, with a branch circuit rating of 15 amps, and continuous power of 1.44 kilowatts.~~

~~(d) The following industry standard is incorporated by reference: SAE Surface Vehicle Recommended Practice: Conductive Coupler J1772 Rev. Nov. 2001 (SAE J1772, 2001 revision, currently in draft form). SAE Surface Vehicle Recommended Practice: Conductive Coupler J1772, as adopted in 1996, is not incorporated by reference.~~

[Commentary:

Subsection (a):

(i) *Original subsections (a) and (c) are combined in a revised subsection (a), titled "Applicability," to avoid any confusion from separate provisions on what the regulation applies to and does not apply to. This modification is nonsubstantive.*

(ii) *The exclusion of neighborhood electric vehicles (NEVs) in original subsection (c) is eliminated as unnecessary, since in the 2006 and subsequent model years NEVs will not qualify for a 1.0 or greater ZEV credit and on that basis will not be subject to the charging requirements.*

(iii) *There is no longer a reference to "extended range" hybrid electric vehicles (HEVs) because that term is not being used in the final version of the pending ZEV 2001 amendments, and those amendments no longer provide that extended range HEVs qualify towards the top 2 percent ZEV requirement. Instead, the modifications make all grid-connect (and thus chargeable) HEVs subject to the charging requirements – rather than just those with an all electric range of 20 miles or more – but exclude any grid-connect HEVs only capable of Level 1 charging. The modification regarding Level 1 charging reflects staff's original intent; without this clarification, grid connected hybrids would be subject to a more stringent charging requirement than battery electric vehicles. Given the exclusion related to Level 1 charging, removal of the 20-mile all-electric range*

minimum requirement is not expected to have any practical effect on applicability of the charging provisions.

Subsection (b):

(i) A statement that the definitions in section 1962 are applicable is necessary to have the section 1962(i) definition of “battery electric vehicle” apply.

(ii) The definition of “Level 1 charging” is moved to the definitions in modified subsection (b). The minor revisions to the definition of Level 1 charging clarify that Level 1 charging can utilize either an on-board or an off-board charger.

Relettered subsection (c) and original subsection (d):

Now that the November 2001 revision to SAE J1772 has been adopted, it is referenced in place of the draft that had been referenced in the original proposal. Adoption of the November 2001 revision means there is no longer any need to expressly state that the 1996 version does not apply, and the limited remaining contents of subsection (d) can be incorporated into subsection (c).]

Note: Authority cited: Sections 39600, 39601, 43013, 43018, 43101, 43104 and 43105, Health and Safety Code. Reference: Sections 39002, 39003, 39667, 43000, 43009.5, 43013, 43018, 43100, 43101, 43101.5, 43102, 43104, 43105, 43106, 43107, 43204, and 43205.5, Health and Safety Code.