



Advanced Clean Fleets Regulation and Border Engagement

Annual Legislative Briefing for Capitol Staff

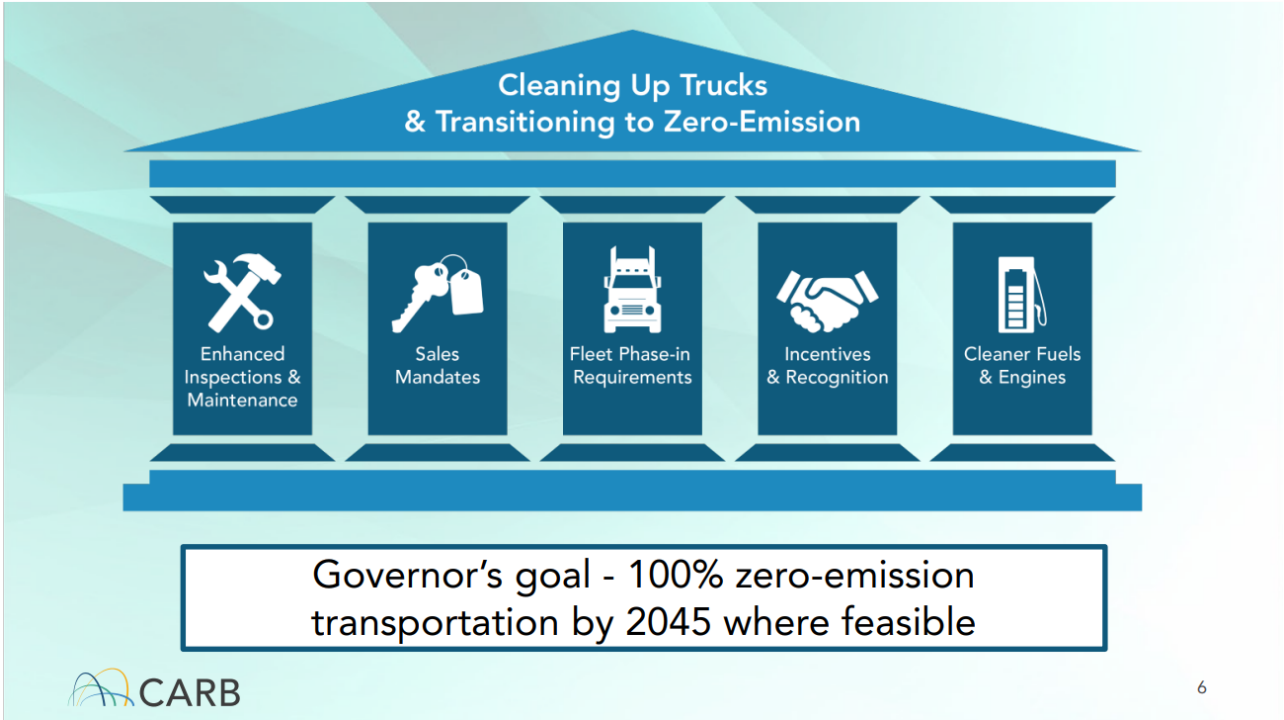
February 1, 2024

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Outline of Today's Presentation

- Background
- Advanced Clean Fleets (ACF) Regulation
- Border Engagement
- Other topics and issues

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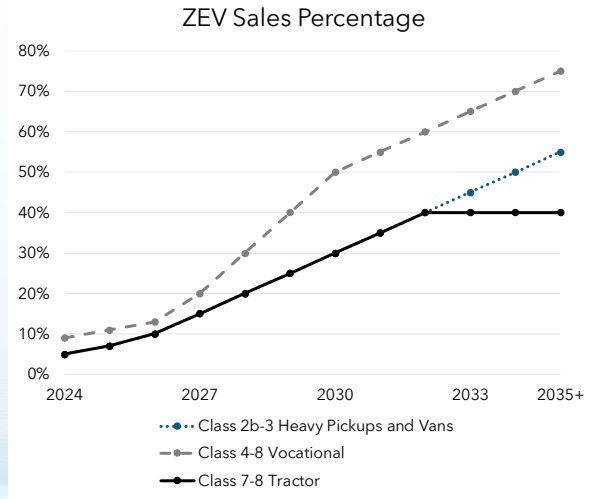
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Advanced Clean Trucks (ACT) Regulation

- Manufacturers to sell zero-emission vehicles (ZEV) in all vehicle classes as a percentage of total sales*
- Credit for pre-2024 sales
- 320,000 ZE trucks to California by 2035
- Board resolution setting 2035, 2040, and 2045 fleet goals



*Partial credit for near-zero emissions vehicles (NZEV) with minimum all electric range

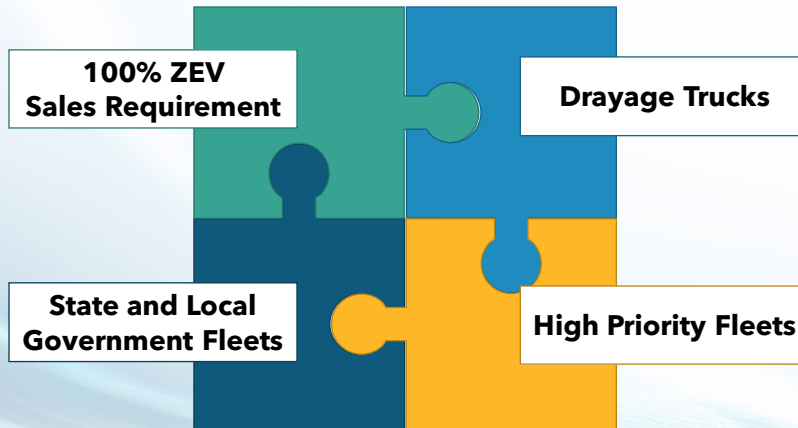
Current Status of ACT Regulation

- Met 2024 requirement in 2022 - two years ahead of schedule
 - Abundance of credits expected for 2024 model year
- Numerous flexibility provisions
 - Early credit provisions
 - Banking and trading credits
 - Deficit carryback
- 10 other states have adopted the ACT regulation
 - 25% of US truck sales
- Expanding flexibility in proposed ACT Amendments
 - Expected adoption in 2024



Advanced Clean Trucks Compliance and Incentives Update

Advanced Clean Fleets Regulation Components



100 Percent ZEV Sales

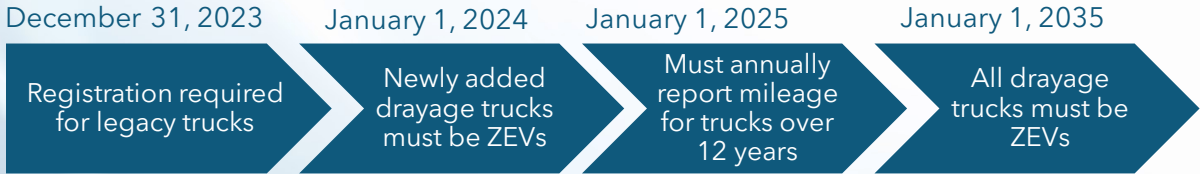
100% ZEV Sales Requirement

Starting **2036**, all Class 2b-8 vehicles sold into California must be ZEVs

- Provides certainty to the market and supply chain for manufacturers, fleets, infrastructure providers, service technicians, partner agencies, and local governments
- Expands market choice

Drayage Trucks Requirements

Applies to Class 7-8 on-road trucks operating at California's seaports and intermodal railyards



- Legacy trucks may operate until the end of their useful life
- Must visit a regulated seaport or railyard at least once a year
- May use limited extensions



High Priority and Federal Fleets

Affected businesses	Affected vehicles
Fleets with 50+ vehicles, including common ownership and control	Class 2b-8 vehicles
Fleets with >\$50 million in annual revenue	Off-road yard tractors
Federal government fleets	Light-duty delivery vehicles
Entities that hire or dispatch fleets	



High Priority Fleets

Model Year Schedule Summary

January 2024

January 1, 2024

January 2025

January 1, 2025

Registration required for legacy trucks

Newly added trucks must be ZEVs or NZEVs

Must annually report mileage for tractors over 12 years

ICE vehicles removed after useful life exceeded

- Legacy trucks may operate until the end of their useful life
- May use certain exemptions and extensions
- Internal combustion engine (ICE) vehicle removals begin January 2025



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State and Local Government Fleets

State and Local Government Requirements

2024-2026

January 1, 2027

50% of purchases must be ZEV or NZEV

All purchases must be ZEV or NZEV

- Agencies in designated counties and divisions with 10 or fewer trucks exempt until 2027
- May use exemptions and extensions



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Optional ZEV Milestone Phase-in

- Open to High Priority and State and Local Government fleets
- Must meet ZEV milestones as a percent of total fleet
- Flexibility to add new or used ICE vehicles meeting cleanest engine requirements

Zero-Emission Fleet Percentage	10%	25%	50%	75%	100%
Group 1: Box trucks, vans, 2-axle buses, yard trucks, light-duty package delivery vehicles	2025	2028	2031	2033	2035
Group 2: Work trucks*, day cab tractors, 3-axle buses	2027	2030	2033	2036	2039
Group 3: Sleeper cab tractors and specialty vehicles	2030	2033	2036	2039	2042



*Work truck means any single-unit truck that is not a box truck, van, bus, or specialty vehicle

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Exemptions and Extensions

Provision	Summary
Vehicle Delivery Delay Extension	Remain compliant if ZEV order delayed
Infrastructure Delay Extension	Up to 5 years for onsite ZEV infrastructure delays
ZEV Purchase Exemption	Can buy ICE vehicle from CARB list or apply if not available in configuration needed
Daily Usage Exemption	Can buy ICE vehicle if ZEV usage not suitable for placement in the fleet
Mutual Aid Assistance	Reserve 25% of fleet for use in mutual aid agreements
Waste and Wastewater Fleets	More time for compressed natural gas trucks supporting waste diversion and biomethane production
Rental Vehicle Provision	Flexibility to address transient rental fleet vehicles
Five-Day Pass	Temporary pass to operate non-compliant trucks up to 5 days per year
Non-Repairable Vehicle	Flexibility to purchase used replacement ICE vehicle in case of accident
Backup Vehicle Exemption	Excludes vehicle operated less than 1000 miles per year
Intermittent Snow Removal Vehicle	May purchase ICE vehicles until 2030

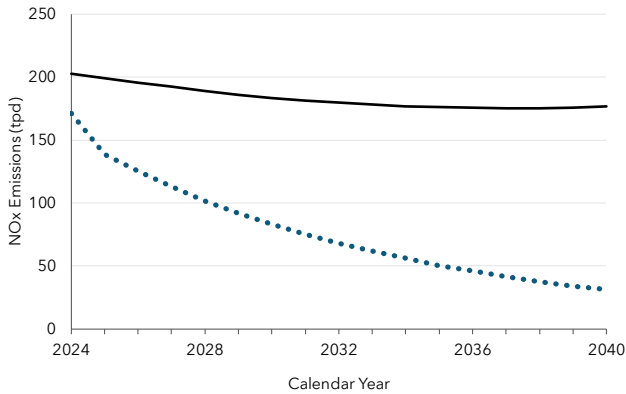


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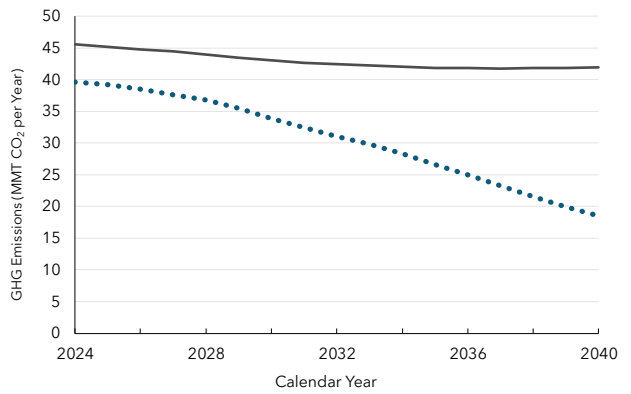
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ACF, ACT, Clean Truck Check, and Heavy-Duty Omnibus Get Substantial Emission Reductions

NOx Emissions Drop 82% by 2040



GHG Emissions Drop 56% by 2040



— 2020 Baseline ••• ACT, HD Omnibus, Clean Truck Check, and ACF Regulations

— Baseline ••• ACT and ACF Regulations



Infrastructure Coordination

- ZEV Infrastructure Joint Statement of Intent signed April 20, 2023
- Agency principles of coordination and cooperation:
 - Ensure equity
 - Communication
 - Share data and analyses
 - Joint stakeholder engagement
 - Joint planning and solicitations



Infrastructure meeting materials and recordings
<https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets/advanced-clean-fleets-meetings-events>

ZEV Deployments + Infrastructure Building Synergies

- Service-based strategies
 - Charging-as-a-Service - place to park and charge
 - Trucking-as-a-Service - full-service truck rental that provides parking, charging, insurance and maintenance
- Major corridors have plans in-place
 - Some projects underway
- Long-haul and regional ZEV deployments have more time under ZEV Milestones
- ZEV infrastructure delay extension if needed
 - Up to 2 years for construction-related delay
 - Up to 5 years for a delay in utility-power



Clean Truck Partnership

- California Air Resources Board (CARB) agrees to align with 2027 Environmental Protection Agency (EPA) oxides of nitrogen (NOx) standards, provide flexibility and lead time
- Manufacturers agree to comply with all CARB regulations regardless of litigation outcomes
- Means full commitment to cleaner combustion and increasing ZEV sales including 100% ZE sales by 2036
- More information, <https://ww2.arb.ca.gov/clean-truck-partnership-home>



Collaboration and Consternation

- Truck Regulation Implementation Group meetings underway
 - Infrastructure, border communities, outreach, rule provisions
- AB 1594 (Garcia, Ch. 585, Statutes of 2023) requires an amendment to the ACF regulation
 - Expands existing extension to provide more flexibility for utility fleets
- Waiver request submitted to EPA in November
 - Enforcement discretion for high-priority fleets and drayage until waiver is granted
- Active lawsuits from fossil fuel industry and trucking associations

Cross-Border Cooperation

- 15 Border related meetings & events since October 2021
- Most recent events
 - August 9, 2023 - Otay Mesa Outreach Event
 - October 20, 2023 - Chula Vista Ride and Drive
 - December 4, 2023 - Truck Regulation Implementation Group, border communities reoccurring work group
 - January 9, 2024 - Tijuana meeting with large manufacturers to discuss possible requirements if they are under "Common Ownership and Control" of a High Priority Fleet
 - More information, <https://ww2.arb.ca.gov/resources/fact-sheets/commercial-goods-movement-through-land-ports-california>

Border Information

- ZEV not required for border trucks unless a high-priority fleet or drayage truck
- Chula Vista/Otay Mesa are disproportionately affected by air pollution and are now identified as Assembly Bill 617 communities
- Thousands of ZEV trucks operate in Mexico
- Infrastructure is in the early stages of development at the border
 - 4 charging connectors in Otay Mesa
 - Truck-as-a-service model opportunities
 - Private investment ongoing