



To: Members of the RCRC Board of Directors
From: Staci Heaton, Acting Vice President Governmental Affairs
Date: April 26, 2021
Re: California Air Resources Board Advanced Clean Trucks Regulations Update

Summary

The California Air Resources Board (CARB) has established sales requirements on truck manufacturers and reporting requirements for fleet brokers and operators of light/medium duty and heavier trucks. The next phase is establishing purchase requirements for fleet operators over the next several years. This memo provides a summary and update of the requirements and their potential impacts on RCRC member counties.

Background

In 2016, the CARB began discussions on how to accelerate the market for zero emission commercial vehicles in California. The initial focus was on local truck and last mile delivery, but in 2018 CARB staff turned its attention to truck manufacturers and the concept of placing requirements to sell a portion of light/medium duty and heavier vehicles as zero emission vehicles (ZEVs) at the direction of Governor Edmund G. Brown, which was later accelerated by an Executive Order from Governor Gavin Newsom in September 2019. Eventually, the discussions led to the inclusion of reporting requirements for large entities as defined by 100 or more trucks or an entity that had gross annual revenues greater than \$50 million.

The Advanced Clean Truck (ACT) regulations guiding the reporting and sales mandates were adopted in mid-2020 and included two major requirements:

- Zero-emission truck sales: Manufacturers will be required to sell zero-emission trucks as an increasing percentage of their annual California sales from 2024 to 2035. By 2035, zero-emission truck/chassis sales will need to be 55 percent of Class 2b – 3 truck sales, 75 percent of Class 4 – 8 straight truck sales, and 40 percent of truck tractor sales.
- Fleet reporting: Large entities with fleets of 50 or more trucks are required in April 2021 to provide certain information about the fuel type and usage as well as vehicle types of their current fleet vehicles, including vehicles they do not own but which are in their direct control, in a one-time reporting process. This requirement applies to all municipal fleets regardless of size

Issue

Subsequent to the adoption of the ACT regulations, CARB staff began the process of outreach on an Advanced Clean Fleets (ACF) rule to begin regulating the phase-in of zero-emission vehicles (ZEVs) into commercial and municipal fleets at the direction of their Board. CARB staff was directed to have a fleet rule prepared for adoption by the end of 2021 that would transition the state to ZEVs where feasible as follows:

- By 2035, drayage, public fleets and last mile delivery;
- By 2040, refuse, buses and utility fleets; and,
- By 2045, all other trucks and buses where feasible.

CARB also presented broad strategies to work with the California Energy Commission, the California Public Utilities Commission, and Go-BIZ to develop infrastructure to support vehicle electrification. The initial proposal for public fleet ZEV requirements includes:

- Cities, counties, special districts, state agencies
- Entities with exempt plates from DMV
- ZEV purchases required when adding to the fleet
 - 50 percent of 2024-2026 model year vehicles must be ZEVs
 - 100 percent of 2027 and newer model years must be ZEVs
 - Three-year exemption in designated counties until 2027, but then 100 percent of purchases must be ZEVs.
 - Plug-in hybrids (NZEVs) count same as ZEVs until 2035, although environmental groups are already pushing back on this provision.

While CARB staff maintains there will be no requirement to replace vehicles and that the purchase of ZEVs will only be mandated at time of normal replacement, there are still several outstanding, rural-specific issues that have yet to be addressed. Namely, the lack of ZEV charging infrastructure in rural communities, the inadequacy of current ZEV technology in rural landscapes, and the issues posed by public safety power shut-off events that sometimes last multiple days during wildfire season.

Staff Recommendation

RCRC is currently seeking meetings with CARB staff to discuss the developing ACF rule to clarify several provisions in the broad proposal. RCRC will continue to update the RCRC Board of Directors on the status of the ACT rule, including staff's advocacy efforts and communications with CARB.

Attachment

- Advanced Clean Fleets Regulation Workshop Staff Presentation (Dated March 2 and March 4, 2021)