

GUIDANCE FOR LOCAL GOVERNMENTS ON CALIFORNIA AIR RESOURCES BOARD ADVANCED CLEAN FLEETS REGULATIONS FOR WASTE HAULERS

Overview

Due to the California Air Resources Board (CARB) Advanced Clean Fleets (ACF) regulations, many solid waste collection operators (haulers) will be required to transition to zero-emission vehicles (ZEVs) per the High Priority Fleet requirements over the next 18 years. High Priority Fleets are defined as entities that own, operate, or direct the operation of at least one vehicle in California, and that have either \$50 million or more in gross annual revenue, or that own, operate, or direct the operation of a total of 50 or more vehicles. Affected vehicles are those with a gross vehicle weight rating greater than 8,500 pounds or off-road yard tractors that are operated in California. There are two compliance paths and timelines described below.

What Municipalities Need to Consider

Affected fleet owners will have to make significant investments in ZEVs and fueling infrastructure in the next 10-15 years to be compliant with the ACF regulations. It is important that local governments understand the regulations as they may impact solid waste collection agreements and rates. HF&H recommends that local government agencies with contracted haulers do the following:

- Review your current hauling agreement(s).
 - o Ensure that nothing in your hauling agreement(s) conflicts with these regulations and that there is language included regarding the use of vehicles that are compliant with applicable laws at all times.
 - o If the agreement outlines a process for changes in law, consider that provision to amend the agreement in a focused manner if needed. For example, amend individual vehicle age or average fleet age to allow time for fleet electrification within CARB guidelines.
 - o Consider the term of the agreement(s) with any extensions, and how they overlap with the timeframes for ZEV implementation described below.
- Meet with your hauler(s) to determine which compliance path they have chosen to implement and how they expect it to affect your municipality.
- Consider the long-term approach you will take with your hauler(s).
 - o A minimalist approach may simply consist of reviewing and updating hauling agreement(s) as necessary to comply with all federal, state, and local regulations. Consider whether the agreement has a process whereby haulers may request an adjustment to their rates or compensation and whether the municipality has discretion to approve.
 - o A comprehensive approach may consist of the above, as well as ongoing monitoring of your hauler's vehicle purchases and implementation. You may consider approvals for vehicle purchases and rate adjustments in accordance with ZEV deployment in your municipality.

Please contact HF&H Consultants for support in reviewing rate adjustments proposed by haulers and negotiating amendments to agreements.

Zero-Emission Vehicles (ZEVs) and Near Zero-Emission Vehicles (NZEVs) Defined

For the purposes of the ACF regulations, ZEVs include Battery Electric Vehicles (BEVs) and Hydrogen Fuel Cell Electric Vehicles (FCEVs). Additionally, model year 2035 and earlier Near Zero-Emissions Vehicles (NZEVs) are counted the same as ZEVs for purposes of determining compliance, except as specified for certain exemptions and extensions. NZEVs must achieve a minimum all electric range depending on the charge and vehicle model year as depicted below.

Minimum All Electric Range for NZEVs

Vehicle Model Year	Minimum Range (Slow Charge)	Minimum Range (Fast Charge)
2024-2026	20 miles	15 miles
2027-2030	35 miles	20 miles
2030+	75 miles	75 miles

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What About Compressed and Renewable Natural Gas (CNG/RNG) Vehicles?

The ACF regulations include an extension for Waste Fleets, which are defined as fleets mandated to support the hauling, transfer, and processing of diverted in-state organic waste to produce biomethane via franchise agreement (10 or more years, or three years with extension options). Eligible vehicles are existing CNG/RNG vehicles owned or controlled by a Waste Fleet as of January 1, 2024, and are fueled exclusively with biomethane. Waste Fleets may include eligible CNG/RNG garbage vehicle configurations that are rear-loader, side-loader, and front-loader compactor trucks, garbage roll-off trucks, and tractors exclusively used as waste transfer trucks. Other types of waste vehicles are not eligible. Please note that the fleet owner must be using the ZEV Milestones Option for compliance to exercise this extension, and fleets will be required to transition all affected vehicles to ZEVs by 2042.

High Priority Fleet Compliance Options

High Priority Fleets may comply using the Model Year Schedule or ZEV Milestones Option as outlined below. Please visit [CARB’s High Priority Fleet](#) webpage for more information.

Model Year Schedule (Default Option)

Beginning January 1, 2024, fleet owners may add only ZEVs to their California fleet. Additionally, beginning January 1, 2025, fleet owners must begin removing internal combustion engine (ICE) vehicles from their California fleets by January 1 of the calendar year after those vehicles exceed their minimum useful life mileage thresholds, or January 1 of the calendar year the engine model year is 18 years old or older, whichever occurs first. Certain extension and exemptions exist that would allow for the purchase of additional ICE vehicles. Any ICE vehicle, 2024 or newer, added to the California fleet must have an engine certified to applicable California emissions standards and emissions related requirements, and any used ICE vehicle added to the California fleet must have a 2010 or newer model year engine.

ZEV Milestones Option (Alternative Compliance Option)

Until January 1, 2030, instead of the model year schedule, fleet owners may elect to meet ZEV targets as a percentage of their California fleet starting with vehicle types that are most suitable for electrification. This option allows for phasing ZEVs into the fleet between 2025 and 2042 based on the vehicle type. When opting into the ZEV Milestones Option, the fleet owner must report this intention. The ZEV Fleet Milestone percentages must be maintained each year until the next compliance milestone; for example, from January 1, 2025, until December 31, 2027, at least 10% of Milestone Group 1 vehicles in the California fleet must be ZEVs. Please visit [CARB’s ZEV Milestones Option Details](#) for more information.

ZEV Fleet Milestones by Milestone Group and Year

Percentage of vehicles that must be ZEVs	10%	25%	50%	75%	100%
Milestone Group 1: Box trucks, vans, buses with two axles, yard tractors, light-duty package delivery vehicles	2025	2028	2031	2033	2035 and beyond
Milestone Group 2: Work trucks*, day cab tractors, pickup trucks, buses with three axles	2027	2030	2033	2036	2039 and beyond
Milestone Group 3: Sleeper cab tractors and specialty vehicles*	2030	2033	2036	2039	2042 and beyond

*Refuse trucks are Group 3 if they meet the definition of a specialty vehicle. Otherwise, they are Group 2.