GUIDANCE FOR STATE AND LOCAL GOVERNMENT FLEETS ON CALIFORNIA AIR RESOURCES BOARD ADVANCED CLEAN FLEETS REGULATIONS

Overview

For the purposes of the California Air Resources Board (CARB) Advanced Clean Fleets (ACF) regulations, a state or local government agency is a city, county, public utility, special district, local agency or district, or a public agency of the State of California, and any department, division, public corporation, or public agency of the State of California. Affected agencies are those that have jurisdiction in California and own, lease, or operate in California one or more vehicles with a gross vehicle weight rating greater than 8,500 lbs. Note that CARB may subject noncompliant fleets to significant financial penalties. There are two compliance options described below, with distinct compliance and reporting schedules. Please visit <u>CARB's State and Local Government Fleet</u> webpage for more information.

Municipal fleets that include refuse collection vehicles may need to make significant investments in electrification infrastructure. HF&H can support municipalities with a variety of related projects, including but not limited to, fleet electrification strategy, cost of service studies, and stakeholder engagement. Please contact HF&H to learn more!

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

For the purposes of the ACF regulations, Zero-Emission Vehicles (ZEVs) include Battery Electric Vehicles (BEVs) and Hydrogen Fuel Cell Electric Vehicles (FCEVs). Additionally, model year 2035 and earlier Near-Zero Emission 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		

Compliance Option 1: ZEV Purchase Schedule (Default Option)

Beginning January 1, 2024, 50% of a state or local government's annual qualifying vehicle purchases per calendar year must be zero-emissions, and beginning January 1, 2027, 100% of qualifying vehicle purchases must be zero-emissions. Individual departments, divisions, districts, subsidiaries, or agencies under the same state or local government agency's jurisdiction have the option to comply jointly or independently.

Compliance Option 2: ZEV Milestones Option (Alternate Option)

Until January 1, 2030, state and local governments may alternatively choose to permanently opt-in to the ZEV Milestones Option if they prefer flexibility in phasing-in ZEVs. This option allows for phasing ZEVs into the fleet between 2025 and 2042, depending on the type of vehicle and its usage. By selecting this option, starting January 1, 2025, fleet owners must continuously meet or exceed the ZEV Fleet Milestone percentage requirements for their California fleets (shown in the chart below). The fleet owner must report their intention to use this compliance option. After electing to use this option, fleet owners are no longer subject to, and may not switch back to the state or local government fleet requirements. If choosing to use this option, fleet owners must comply with all of the requirements otherwise applicable to federal government fleets specified in 13 CCR §§ 2015, 2015.2 - 2015.6. 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 webpage for more information.

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ZEV Fleet Milestones by Milestone Group and Year

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

Frequently Asked Questions

- 1. Does my agency need to comply?
 - a. Yes, all state and local government agencies need to comply and report to CARB by April 1, 2024. However, certain small government fleets and those operating in designated low population counties can delay the start of their ZEV purchases until January 1, 2027, at which point 100% of qualifying vehicle purchases must be ZEVs. Please visit <u>CARB's Fleet Requirements Overview</u> webpage for a list of counties with delayed implementation schedules.
- 2. Can a state or local government fleet still purchase internal combustion engine (ICE) vehicles?
 - a. Yes. If complying using the ZEV Purchase Schedule, ICE vehicles may be purchased through 2026, as long as 50% of annual purchases are ZEVs. If complying using the ZEV Milestones Option, the overall percentage of ZEVs in the fleet must meet the minimum requirements annually. New ICE vehicles, 2024 or newer, added to the California fleet after 2023 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.
- 3. What if a state or local government does not need to purchase any vehicles?
 - a. The ZEV Purchase Schedule does not require state or local government agencies to make any vehicle purchases. All ICE vehicles are guaranteed their useful life. However, the percent of qualifying ICE and ZEVs purchased annually shall conform to the percentages of the applicable year as described above. If complying using the ZEV Milestones Option, ZEVs may need to be purchased to meet the milestones of a given year. Additionally, annual reporting and recordkeeping are required regardless of whether vehicles are purchased.

Reporting and Recordkeeping

Beginning in 2024, and annually thereafter, reports must be submitted to CARB through the online TRUCRS reporting system on April 1 (if complying using the ZEV Purchase Schedule) or February 1 (if complying using the ZEV Milestones Option). Annual reports include state or local government information, vehicle information, changes to the existing fleet, odometer readings, and ZEV purchase exemption documentation. Additionally, any changes to the fleet need to be reported to CARB within 30 days. Recordkeeping includes documentation of entity and vehicle information, operator information, odometer reading, delays and exemptions, hiring entity, and sales disclosures. All records, including annual report information, must be retained for a minimum of 5 years and must be made available in an electronic or paper format to CARB staff within 72 hours of a written or verbal request.

Exemptions and Extensions

Certain exemptions and extensions apply, based on the compliance option being implemented. Please contact HF&H or visit <u>CARB's Exemptions and Extensions</u> webpage for more information.

Funding

There are several <u>state</u> and <u>federal</u> grants available to local governments that can be used for fleet electrification. As these opportunities change over time, we recommend checking their websites often to learn about current opportunities. Additionally, CARB offers the <u>Hybrid & Zero-Emission Incentive Program</u>, which provides rebates on select vehicles.