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## Environment & Energy Committee

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### SB 5811

**Brief Description:** Reducing emissions by making changes to the clean car standards and clean car program.

**Sponsors:** Senators Nguyen, Rolfes, Wilson, C., Liias, Das, Hunt, Kuderer and Saldaña.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Adopts California motor vehicle emission standards for zero-emission vehicles and for medium duty trucks.</li></ul>
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**Hearing Date:** 3/19/19

**Staff:** Jacob Lipson (786-7196).

**Background:**

Under the federal Clean Air Act, most states, including Washington, are restricted from enacting their own emissions standards for new motor vehicles, which is an authority generally reserved to the federal government. California is the only state allowed under the federal Clean Air Act to adopt state standards for vehicle emissions. California's vehicle emissions standards must be at least as protective of public health as federal standards and must be approved by the United States Environmental Protection Agency. Other states may adopt vehicle emissions standards that are identical to California's vehicle emissions standards for specific vehicle model years. Other states adopting California vehicle emissions standards must delay program implementation until at least two years after the state adopts California's standards.

California Vehicle Emissions Standards.

The motor vehicle emissions standards established by California contain two program components: low-emission vehicle requirements and zero-emission vehicle (ZEV) requirements.

First, all vehicles sold in states subject to California's standards must exceed emissions performance standards for certain air pollutants like particulates, nitrogen oxide, and carbon

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dioxide. Vehicle emission control systems must also exceed a 150,000-mile durability standard. Specific performance requirements vary depending on the model year, vehicle weight, and whether the vehicle is a passenger car, light duty truck, or heavy duty truck.

Second, a specified percentage of the vehicles delivered for sale in the state by manufacturers must be ZEVs, or else credits equal to that specified percentage must be otherwise obtained.

- The ZEVs must produce zero exhaust emissions of air pollutants or greenhouse gases. The ZEVs include battery-electric vehicles and hydrogen fuel cell vehicles.
- The ZEV credits may be earned by either delivering vehicles for sale in the state, purchasing ZEV credits from another vehicle manufacturer, or earning credits through ZEV deliveries in other states with ZEV mandates.
- Manufacturers may receive partial credit towards ZEV requirements by producing transitional zero-emission vehicles (TZEVs), which include plug-in hybrids. The amount of credit towards ZEV requirements granted to a TZEV model is based on the vehicle's emissions performance and electric range.

California's current ZEV standards for passenger cars and light duty trucks require that ZEV credits equal to 4.5 percent of vehicles produced by manufacturers and delivered for sale in California be ZEVs by 2018, increasing to 9.5 percent by 2020 and 22 percent for model year 2025 and beyond.

- For large-volume manufacturers with sales in California after 2018 of over 20,000 vehicles per model year, a minimum percentage of ZEV credits must come from ZEV sales rather than TZEV sales. Two of the initial 4.5 percent of ZEV credits must come from ZEV rather than TZEV sales for model year 2018 sales, 6 percent of the 9.5 percent of ZEV credits must come from ZEV sales, and 16 percent of the 22 percent of ZEV credits must come from ZEV sales starting for model year 2025.
- Intermediate-volume manufacturers with sales in California after 2018 of between 4,501 and 20,000 vehicles per model year must meet the overall ZEV percentage requirements but are not subject to the requirement that a certain percentage of ZEV credits be from ZEVs as opposed to TZEVs.
- Small-volume manufacturers with sales in California after 2018 of less than 4,500 are not subject to ZEV delivery requirements.

The ZEV credits earned by a manufacturer may be banked, and may be used, with some limitations, to fulfill ZEV obligations in other states that have adopted California's ZEV program. Small-volume manufacturers may earn, bank, market, and trade credits for the ZEVs and TZEVs they deliver, even though they are not subject to the requirement to obtain or earn ZEV credits. Manufacturers who fail to obtain sufficient credits for a particular model year must make up the credits during the following year or may request an extended period of up to three years to make up a deficit.

#### Washington Vehicle Emissions Standards.

In 2005 the Legislature adopted California's clean car standards. The Department of Ecology (ECY) was directed to adopt and maintain rules consistent with California's standards. However, the Legislature directed the ECY to not adopt the ZEV program. The ECY was also not authorized to adopt California vehicle emissions standards for medium duty trucks, which include most trucks weighing between 8,500 and 14,000 pounds.

In adopting rules consistent with California motor vehicle emission standards, the ECY must convene an advisory group of industry and consumer representatives to comment on proposed rules. The signature of the Governor is required for rule adoption. Washington's adoption of California's clean car rules only apply to car model years for which Oregon has also adopted California's standards; as a result, Washington's clean car regulations apply to car model years 2009 and later. Oregon has adopted California's ZEV requirement.

Beginning in model year 2010, light duty cars and trucks and medium duty passenger vehicles sold in Washington must have a label affixed to them disclosing the comparative greenhouse gas emissions for the vehicle that presents information in a continuous, easy-to-read scale. Labels that meet California clean car program labeling requirements are deemed to meet these requirements.

Under rules adopted to implement the program, the ECY is authorized to inspect motor vehicles and related records for compliance. Manufacturers must submit information on vehicle deliveries into the state upon request by the ECY. Vehicles that do not meet California vehicle emissions standards may not be registered, rented, licensed, or sold in Washington. Violations of California vehicle emission standard rules are punishable by a civil penalty of up to \$5,000 per vehicle.

Upon enactment of ZEV requirements in Washington, the award of early credits and banking towards future ZEV compliance obligations must be allowed for ZEVs manufactured prior to the model year that California standards take effect in Washington. California ZEV standards may not be phased-in to apply sooner than three years after the adoption of the standards.

**Summary of Bill:**

The state adopts California's zero-emission vehicle (ZEV) standards. The state adopts California's clean car standards for all medium duty vehicles, including medium duty trucks. Requirements for the labeling of greenhouse gas emissions for new light duty cars, light duty trucks, and medium duty passenger vehicles are also applicable to medium duty trucks. Requirements are eliminated that direct the Department of Ecology to convene an advisory group for rule comment and that oblige the Governor to sign the rule adoption order.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.