FINAL BILL REPORT SB 5811

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Synopsis as Enacted

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.

Senate Committee on Environment, Energy & Technology House Committee on Environment & Energy House Committee on Appropriations

Background: Federal Law. Under the federal Clean Air Act (CAA), most states are restricted from enacting their own emissions standards for new motor vehicles. California is the only state allowed to adopt state standards for vehicle emissions under the CAA—these standards must be at least as protective of public health as federal standards and must be approved by the U.S. Environmental Protection Agency. States have the option to implement either federal motor vehicle emissions standards, or California motor vehicle emissions standards for specific vehicle model years. The CAA requires a minimum phase-in period of three model years for adoption of the California motor vehicle emissions standards.

<u>California Vehicle Emissions Standards.</u> The motor vehicle emissions standards established by California contain the following two program components: low-emission vehicle (LEV) and zero emission vehicle (ZEV) requirements. LEV requirements establish that all vehicles sold in states subject to California's standards must exceed emissions performance standards in certain criteria air pollutants and for greenhouse gases. Specific performance requirements vary depending on the model year, vehicle weight, and vehicle type.

ZEVs, including battery-electric vehicles and hydrogen fuel cell engine vehicles, must produce zero-exhaust emissions of air pollutants and greenhouse gases. ZEV requirements specify that a certain percentage of vehicles delivered for sale in the state by manufacturers must be ZEV. If this specified percentage is not achieved, manufacturers must obtain credits equal to such percentage. Credits may be earned by either delivering vehicles for sale in the state, purchasing ZEV credits from another manufacturer, or earning credits from ZEV deliveries in other states with ZEV mandates. Manufacturers may receive partial credit towards the ZEV requirements by producing transitional zero emission vehicles, which includes plug-in hybrids.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Large-volume and intermediate-volume manufacturers must meet respective requirements regarding production and delivery of ZEVs for sale. Small-volume manufacturers are not subject to the regulation. ZEV credits earned by a manufacturer may be banked and used, with some limitations, to fulfill ZEV obligations in other states that have adopted California's ZEV program. Manufacturers who fail to obtain sufficient credits for a particular model year must make up a deficit by the next model year or may request up to three consecutive model years to make up a deficit. If a manufacturer still fails to comply, it is subject to financial penalties.

Washington Vehicle Emissions Standards. In 2005, the Legislature adopted the California emissions standards for passenger cars, light duty trucks, and medium duty passenger vehicles in effect on January 1, 2005. The Department of Ecology (Ecology) was directed to not adopt the California ZEV program. In addition, Ecology was not authorized to adopt California LEV standards for medium duty trucks, which includes trucks generally weighing between 8,500 and 14,000 pounds.

Ecology has rulemaking authority to implement standards and to amend rules to maintain consistency with the California standards and federal laws. Ecology must convene an advisory group to review and comment on any proposed rules or changes to rules prior to rule adoption. The order for final adoption of a rule must include the Governor's signature. Washington's adoption of California's clean car rules only apply to car model years for which Oregon has also adopted California's standards.

Beginning in model year 2010, new passenger car, light duty truck, or medium duty passenger vehicles sold in Washington must have a label affixed to them disclosing comparative greenhouse gas emissions for that new vehicle.

Due to the CAA requirement for a phase-in period, the implementing rules shall include a system of early credits and banking for manufacturers of ZEVs produced and sold earlier than the implementation date of standards in Washington. In addition, an alternative means of compliance shall be created that allows a manufacturer to earn Washington ZEV credits beginning with the 2005 model year.

Until 2020, vehicles in certain emission-contributing areas were required to undergo inspections and pass emissions standards on a biennial basis. Specified motor vehicles are exempt from these inspection requirements, including vehicles of a model year for which Washington has adopted the California clear car rules.

Summary: Ecology is directed to adopt rules to implement the motor vehicle emissions standards of California, including the ZEV program. The following provisions are removed:

- requirements regarding the advisory group, review of rules prior to adoption, and the order for final adoption;
- restriction that Washington's adoption of California's clean car rules only apply to car model years for which Oregon has also adopted California's standards; and
- exemption regarding motor vehicle emissions inspections.

The types of vehicles on which a manufacturer is required to affix a label that discloses comparative greenhouse gas emissions for that new vehicle is expanded to include medium duty trucks.

Provisions regarding early credits and banking—alternative means of compliance are repealed.

Votes on Final Passage:

2019 Regular Session

Senate 26 22

2020 Regular Session

Senate 26 23

House 57 40 (House amended) House 55 42 (House reconsidered)

Senate 25 23 (Senate concurred)

Effective: June 11, 2020