



Air Resources Board



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March 23, 2011

REVISED MANUFACTURERS ADVISORY CORRESPONDENCE (MAC) 2011-02

TO: ALL PASSENGER CAR MANUFACTURERS
ALL LIGHT-DUTY TRUCK MANUFACTURERS
ALL MEDIUM-DUTY VEHICLE MANUFACTURERS
ALL OTHER INTERESTED PARTIES

SUBJECT: Zero Emission Vehicle (ZEV) Credit Reporting and Tracking System

This letter transmits a Revised Manufacturers Advisory Correspondence (MAC) that provides vehicle manufacturers and other interested parties with the Air Resources Board's mechanism and format to be used for reporting and tracking ZEV deliveries and placements to determine ZEV credit compliance. This revised MAC corrects the applicable model year to 2010 and subsequent. This revised MAC supersedes MAC 2011-01 and MAC 2006-03. The primary purpose of modifying this MAC is to incorporate the amendments to the ZEV Regulation in 2008.

If you have any questions regarding this matter, please contact Ms. Krista Eley, Air Pollution Specialist, at (916) 322-2333, or via email at keley@arb.ca.gov.

Sincerely,

Robert H. Cross, Chief
Mobile Source Control Division

Attachments

cc: Ms. Krista Eley
Air Pollution Specialist
Sustainable Transportation Technology Branch

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

**State of California
Air Resources Board**

Revised Manufacturers' Advisory Correspondence (MAC) #2011-02

- Subject:** Format and policies for manufacturer Zero Emission Vehicle (ZEV) Reporting for 2010 and subsequent model-year ZEVs, Enhanced Advanced Technology Partial ZEVs (Enhanced AT PZEVs), AT PZEVs and Partial ZEVs (PZEVs). This MAC supersedes MAC 2011-01 and MAC 2006-03.
- Applicability:** Manufacturers of 2010 and subsequent model-year ZEVs, Enhanced AT PZEVs, AT PZEVs, and PZEVs certified for sale in California and any person or entity that transacts credits for these vehicles including, but not limited to, credit brokers and transportation project managers.
- References:** Section 1962.1, Title 13, California Code of Regulations (CCR), and the incorporated "California Exhaust Emission Standards and Test Procedures for 2009 and Subsequent Model Zero Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," adopted by the state board on December 17, 2008.
- Background:** The California ZEV regulations were originally adopted by the Air Resources Board (ARB or Board) in 1990, as part of the first generation California low-emission vehicle regulations. The ZEV program is an integral part of California's mobile source control efforts, and is intended to encourage the development of advanced technologies that will secure increasing air quality benefits and greenhouse gas reduction goals. The ZEV regulations nominally require that a certain percent of the passenger cars and light-duty trucks produced and delivered for sale in California by all but small volume manufacturers be ZEVs – vehicles with no emissions. However, there are mechanisms under which a manufacturer may satisfy part – or in some cases all – of its ZEV obligation with PZEV allowances generated from vehicles with extremely low emissions.
- Discussion:** This MAC provides a consistent format for reporting delivery and placement of ZEV program vehicles in California for demonstration of compliance with the regulation. Additionally, the process and format for submitting data related to other ZEV credit activities is provided.
- ARB requests that manufacturers, and other interested parties provide both a hard copy and an electronic version of the appropriate forms and ZEV reports be submitted with an attached cover letter for all ZEVs,

Enhanced AT PZEVs, AT PZEVs and PZEVs. Vehicle manufacturers will continue to report production data as previously required.

ARB forms and specified electronic format for reporting credits and debits for ZEV reporting include: 1) an application form for opening a “ZEV account” with the ARB/Change of Company Representative or address, 2) a form for selecting the calculation method and Non-Methane Organic Gases (NMOG) production numbers, 3) credit and debit electronic format, 4) example data files, and 5) a form for transferring credits. These electronic forms are presented in the following Attachments:

Application for California Zero Emission Vehicle (ZEV) Account /Change of Company Representative or Address	Attachment A
Calculation Method for Zero Emission Vehicle (ZEV) Credit Requirement	Attachment B
Credits	Attachment C
Debits	Attachment D
Example Data files – Credits and Debits	Attachment E
Zero Emission Vehicle (ZEV) Credit Transfer Form	Attachment F

Guidance: Credit Bank

ARB will utilize the ZEV Bank to track ZEVs and the credits earned by vehicle manufacturers and transacted by credit traders. The system will also generate ZEV credit balance and summary statements.

Manufacturers of 2010 and subsequent model-year ZEVs, Enhanced AT PZEVs, AT PZEVs, and PZEVs certified for sale in California and any person or entity that holds ZEV credits for any length of time including, but not limited to, credit brokers and transportation project managers need to apply for a ZEV account with ARB. See Attachment A Application for Zero Emission Vehicle (ZEV) Account with the ZEV Bank.

ARB will record ZEVs in the ZEV Bank. The recording of vehicles is then subject to verification of the information substantiating delivery and placement of ZEVs. If ARB determines that discrepancies exist in any ZEV information submitted, staff will notify the appropriate party and will

accordingly adjust the ZEV Account. ARB may perform audits at any time.

Recorded ZEV credits will be multiplied by NMOG fleet average requirement for the appropriate model year. ZEV credits will be stored in the ZEV Bank in units of grams per mile (g/mi) NMOG. Please note that the g/mi NMOG units are only used as an index and do not represent actual values of g/mi NMOG.

Frequency of Reporting

ZEV account holders are to report ZEV data as indicated in Attachments B, C and D, annually by May 1st of the calendar year following the close of a model year. Attachment A must be resubmitted if there are any changes to the Company Representatives or the Company address, email or phone. Annual Reports may be updated by September 1 of the same year. ZEV account holders may choose to report more frequently, however, please contact the ZEV Bank Program Manager prior to transmittal. The schedule is as follows:

Annual

<u>Report Date</u>	<u>Data Represents</u>
May 1 of a given calendar year	preceding model year

Supplement to Annual

<u>Report Date</u>	<u>Data Represents</u>
September 1 of a given calendar year	preceding model year April 1 to June 30

Credit Statements

The ZEV Bank Program Manager will issue credit statements to ZEV account holders annually. Additional credit statements are available upon request.

Credit Types and Conditions

ZEVs

ZEVs may generate ZEV credits at several points in time including "Delivered for sale," "Placed in service" and "Extended service." Vehicles receive a base credit when "delivered for sale in California" and remaining ZEV credits based on applicable multipliers when "Placed in Service." ((§1962.1(d)(5)(C))

Placed in service – As defined in the ZEV regulation “means having been sold or leased to an end-user and not to a dealer or other distribution chain entity, and having been individually registered for on-road use by the California Department of Motor Vehicles (DMV).” (§1962.1(i)(7))

Vehicles sold en masse to another state by one person, entity or company shortly after registering at the California DMV do not meet the definition of “Placed in service” in the ZEV regulation. Specifically they do not meet the criteria of being sold or leased to an end-user and not to a dealer or other distribution chain entity. The person, entity or company in this situation would be a dealer or other distribution chain entity. Therefore vehicles in this circumstance do not qualify for ZEV credits.

All “Placed in service” vehicles will be verified with the California DMV with the exception of vehicles leased or sold to the government (see below). If any vehicles within a reported batch cannot be verified with the DMV, the ZEV Program Manager will contact the Account Holder and request that those records be corrected and resubmitted.

Vehicles Leased Or Sold To the Government - Vehicles sold to the federal government may or may not be registered at the California DMV. Indicate government agency name, agency contact and agency email when reporting credits.

Multiplier for Certain ZEVs – ZEVs produced in model years 2009 to 2011, excluding Neighborhood Electric Vehicles and Type 0 ZEVs, may receive a one time multiplier of 1.25 if it is either sold to a motorist or is leased for 3 or more years to a motorist who is given the option to purchase or re-lease the vehicle for 2 years or more at the end of the first term. (§1962.1(d)(5)(D))

Neighborhood Electric Vehicles (NEVs) and non-NEVs – For reporting and tracking purposes, a distinction is made between NEVs and ZEVs that are not NEVs regarding the limited use of banked NEV credits.

Enhanced AT PZEVs, AT PZEVs and PZEVs

Enhanced AT PZEVs, AT PZEVs and PZEVs may earn credits for having been “Delivered for sale” as described for ZEVs. No additional credits or multipliers are applied when the vehicles are placed. Thus, the ZEV Bank does not track placement for Enhanced AT PZEVs, AT PZEVs and PZEVs.

Phase-In Multiplier for Enhanced AT PZEVs

A PZEVs produced in model years 2009 through 2011 model year that earn zero-emission vehicle miles traveled allowance under §1962.1(c)(3) may receive a one time multiplier of 1.25 if it is either sold to a motorist or is leased for 3 or more years to a motorist who is given the option to purchase or re-lease the vehicle for 2 years or more at the end of the first term. (§1962.1(c)(7)(B))

Extended Service Multiplier

ZEVs and some AT PZEVs in model years 1997-2003 may earn ZEV credits for having been re-leased after an initial 3 years in accordance with the ZEV regulation. NEVs are not eligible to earn the credit for the Extended Service Multiplier. (§1962.1(f))

Advanced Technology Demonstration Programs

ZEVs and Enhanced AT PZEVs, excluding NEVs, placed in a California advanced technology demonstration program may earn ZEV credits even if it is not “delivered for sale” in accordance with the ZEV regulation. (§1962.1(g)(4)) Approval by the ARB’s Executive Officer is required for Advance Technology Demonstration Program credits.

Transportation Systems

In model years 2009 and subsequent, a ZEV and Enhanced AT PZEV placed as part of a transportation system may earn ZEV credits in accordance with the ZEV regulation. In model years 2009 to 2011 AT PZEVs and PZEVs placed as part of a transportation system may also earn ZEV credits in accordance with the ZEV regulation. (§1962.1(g)(5)) Approval by the Executive Officer is required for transportation system credits. NEVs are not eligible to earn credit for transportation systems.

Transferring Credits

Credits may be transferred between parties and entities. Any party or entity that holds ZEV credits for any length of time including, but not limited to, credit brokers and transportation project managers, needs to have an account with the ARB ZEV Bank. Credit transfers can take place outside of the ZEV Bank at anytime. However, if credits are to be acknowledged for ZEV compliance, each transfer needs to be recorded in the ZEV Bank and all parties need to have an account with the ZEV Bank as indicated above. The ZEV Bank Program Manager will contact the Primary Account Holders and confirm the transfer request. See Attachment F for the Transferring ZEV Credit Form.

If a transferor double sells credits (sells the same credits to two or more parties or manufacturers), only the transferee to first record with the ZEV Bank will receive credit. The transferee that records with the ZEV Bank after the transferor's credits have been exhausted will not receive credit and will be notified of the shortfall. The ZEV Bank Program Manager will notify the appropriate parties of the discrepancy.

Confidentiality

Public Disclosure

Please see section 1962.1, Title 13, CCR for provisions of how records in the Board's possession for the vehicles subject to the requirements of section 1962.1 are subject to public disclosure.

Trade Secret

In accordance with Title 17, CCR, sections 91000 to 91022, and the California Public Records Act (Government Code Section 6250 et seq.), the information that a company provides to the ARB may be released (1) to the public upon request, except trade secrets which are not emissions data or other information which is exempt from disclosure or the disclosure of which is prohibited by law; and (2) to the Federal Environmental Protection Agency, which protects trade secrets as provided in Section 114(c) of the Clean Air Act and amendments thereto (42 USC 7401 et seq.) and in federal regulation; and (3) to other public agencies provided that those agencies preserve the protections afforded information which is identified as a trade secret, or otherwise exempt from disclosure by law (Government Code Section 6254.5 (e)).

Trade secrets as defined in Government Code Section 6254.7 are not public records and therefore will not be released to the public. However,

the California Public Records Act provides that air pollution emission data are always public records, even if data come within the definition of trade secrets. On the other hand, the information used to calculate emission data can be trade secret.

If any company believes that any of the information it may provide is trade secret or otherwise exempt from disclosure under any other provision of law, it must identify the confidential information as such at the time of submission to ARB and must provide the name, address, and telephone number of the individual to be consulted if ARB receives a request for disclosure or seeks to disclose the data. ARB may ask the company to provide documentation of its claim of trade secret or exemption at a later date. Data identified as confidential will not be disclosed unless ARB determines, in accordance with the above referenced regulations that the data do not qualify for a legal exemption from disclosure. In such a case the party claiming confidentiality will be notified at least 21 days before disclosure.

Guidance for Electronic Submittal of Data Files

Manufacturers and other persons or entities transacting ZEV credits need to submit ZEV data reports electronically using all applicable fields with the domains as defined in Attachment C and Attachment D. Note that all fields are required. The preferred electronic format is Microsoft Office Excel.

If an electronic submittal has incomplete or incorrectly formatted data, the data will take longer to process. In addition, the ZEV Bank Program Manager will contact the Account Holder and request that the records be corrected and a complete new data batch submitted. Only if the entire data batch is complete and correctly formatted will the data be recorded in the ZEV bank.

Each file should be named using the format, MMMM_MM_DD_YYYY.XXX, as defined below:

MMMM	=	Manufacturer code
MM_DD_YYYY	=	Date report sent for example March 25, 2011 = 03252011
XXX	=	file extension

The electronic file formats provided in Attachments C and D describe each field in detail. The columns are:

Sequence	Order of the data in the record
Data Name	Name of the data field
Type	Identifies type of the field C = Characters (i.e. Alpha-Numeric) N = Numeric D = Date - date format should be used
Length	Specifies the number of characters in each field. For numeric, specifies the number of digits including the decimal, if any.
Range or Domain	Lists the possible inputs or format for the field
Description	Describes the field