

Advanced Clean Cars II Proposed Rule Item C: Informational Item

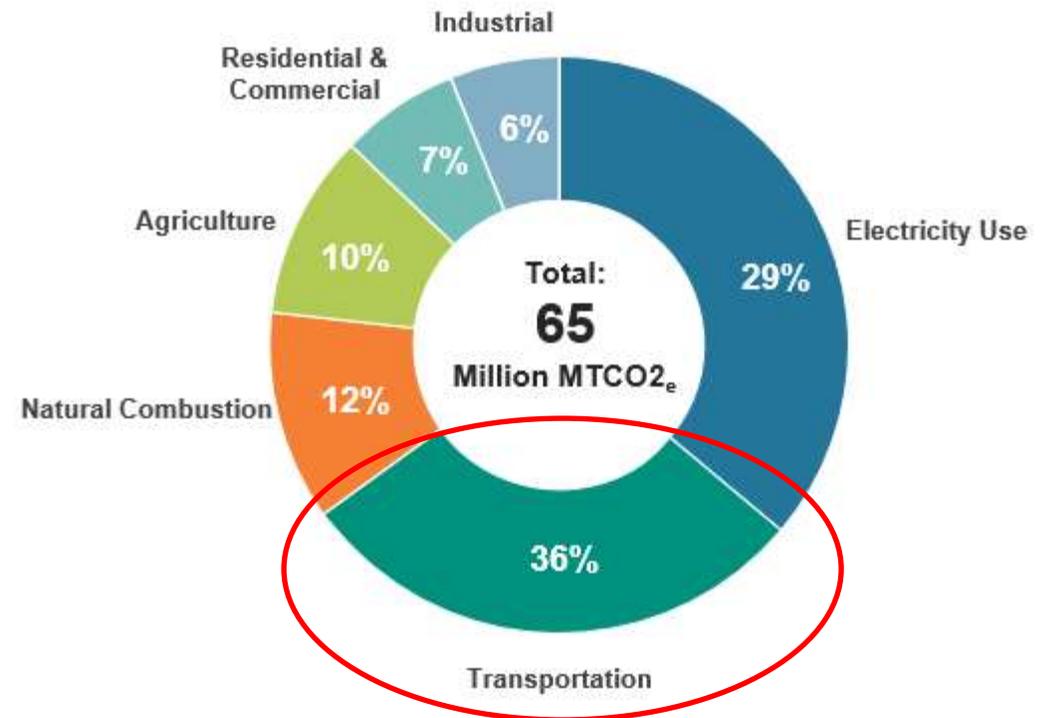
July 21, 2022

Oregon Environmental Quality Commission meeting

Background

- Vehicles contribute air quality pollutant emissions – particulate matter, CO, NO_x, and greenhouse gases

2019 GHG Emissions by Source



Background

- Clean Air Act allows California to set separate motor vehicle emission standards
- If states opt-in to California standards, must adopt them identically
- EQC adopted California's low emission vehicle rules in 2005 and has made subsequent updates since then, including the zero emission vehicle requirements



Low Emission and Zero Emission Vehicle Rules / Advanced Clean Cars

- Low and Zero Emission Vehicle (LEV/ZEV) Program Rules
 - Reduce emissions of greenhouse gases, ozone-forming compounds, and air toxics by setting tailpipe emission standards
 - Promote development and use of low-emission and zero-emission vehicles.
 - Vehicle model years 2009-2015 and 2016 - 2025



Photo credit: ChargePoint

Advanced Clean Cars (ACC) II Rule

- **California's ACC II Rule**
 - Continuation of LEV/ZEV rules for 2026-2035 model year
 - **100% new vehicles (MY 2035) must be ZEV**
 - Compliance achieved through sales of battery electric and plug in hybrid electric vehicles

Photo credit: Sopotnicki/Shutterstock

Model Year	ZEV Percentage Requirement
2026	35%
2027	43%
2028	51%
2029	59%
2030	68%
2031	76%
2032	82%
2033	88%
2034	94%
2035	100%

EV Market Availability

Volvo plans to go fully electric by 2030 and only sell cars online

Stellantis Goes From Zero to Many BEVs With Ambitious Electrification Plans

Nissan targets 40% of U.S. sales to be electric by 2030

Honda Targets 100% EV Sales in North America by 2040, Makes New Commitments to Advances in Environmental and Safety Technology

VW expects EVs to represent half of its vehicle sales by 2030

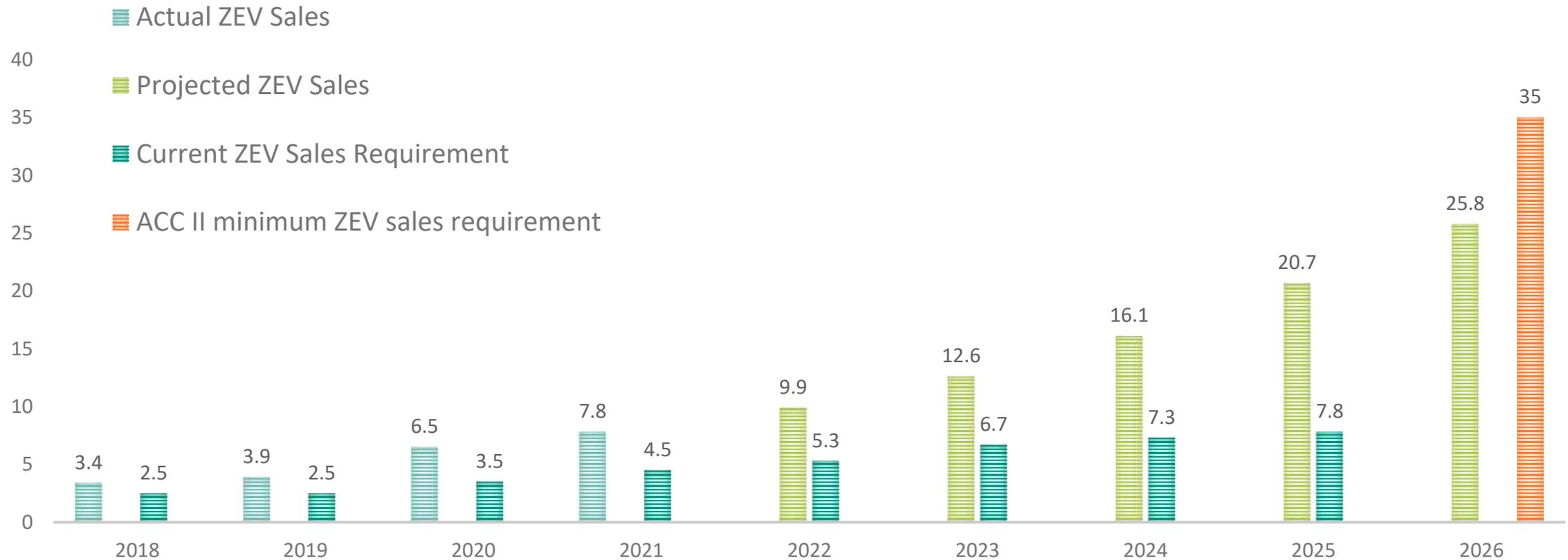
Toyota plans to build 30 battery powered electric vehicles by 2030

GM can ‘absolutely’ catch Tesla in EV sales by 2025, says CEO Mary Barra

Ford ups EV investments, targets 40% electric car sales by 2030 under latest turnaround plan

Hyundai raises global EV sales target to 1.7mn in 2026, says CEO

EV Sales in Oregon



Achieving the standard: Compliance flexibilities

- Recognizing some manufacturers may need additional time to meet the proposed requirements and some states may not have the robust market development, the rule includes compliance flexibilities
 - Historical Credits
 - Allow auto manufacturers to use banked credits already earned under the existing LEV/ZEV rules
 - Pooled Credits
 - Auto manufacturers can “pool” across states
 - Early Action Credits
 - Earn values for placing EVs in states prior to the 2026 requirements

Compliance flexibilities: Environmental Justice values

- Provide compliance values to manufacturers who help increase affordable access to ZEV vehicles for priority communities
 - Discounted EVs in community-based clean mobility programs
 - Ensuring Used EVs available to participating dealerships
 - Lower priced EVs

Additional EV requirements

- EVs must have a minimum electric range
 - BEVs – 150 miles
 - PHEVs – 50 miles
- Durability – 80 percent of certified range value for 10 years/150,000 miles
- Warranties – for parts and battery state of health (maintain 70-80% of battery range for life of vehicle)
- Charging cord capability (Level 1 and 2 capable)
- Increased charger size capability (to allow for faster charging)
- Battery labeling
 - Address battery recycling

Consumer demand for EVs: Incentives

Oregon Clean Vehicle Rebate Program



Program Overview

Electric Vehicles

Dealers

Resources

Login

- Rebate program to encourage Oregon residents to purchase or lease electric vehicles
 - \$5,000 - \$7,500 for low- and moderate-income households for electric vehicles
 - Up to \$2,500 for all other households
 - \$51.9 million distributed; over 21,000 rebates issued

Receive up to \$7,500 off the purchase or lease of a new or used electric vehicle!

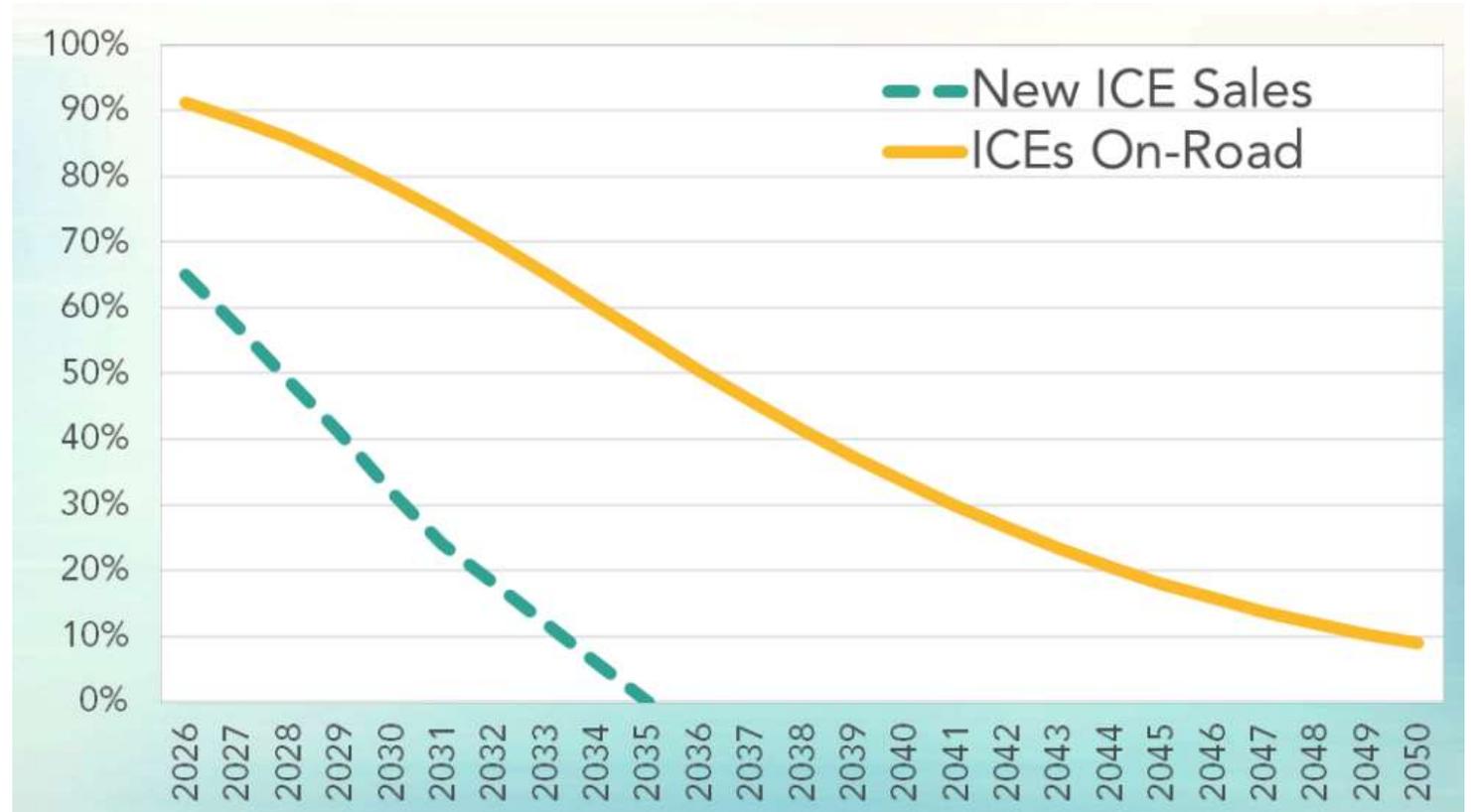
Learn More

Charging infrastructure to support EV adoption

- NEVI funding
 - \$100 million to support public charging along alternative fuel corridors (ODOT)
- ODOT's Transportation Electrification Infrastructure Needs Assessment (TEINA)
- Utility rebates to support home and business charging installations
- Building code requirements for new buildings to have EV charging capability

ACC II: Low Emission Vehicle rule changes

- Gasoline vehicles will continue to be part of the fleet beyond 2035
- Rule changes ensure 2026 – 2035 model year vehicles are as clean as possible
 - Includes more stringent emission standards for gasoline vehicles



Source: California Air Resources Board

Next Steps

- Public stakeholder meetings: June and July 2022
- Advisory committee meetings: August and September 2022
- Public comment: September 2022
- DEQ proposal to EQC for decision: December 2022