

Oregon DEQ 2025 Clean Truck Rules Advanced Clean Truck Rules

Rachel Sakata, Transportation Strategies Manager Gerik Kransky, Senior Transportation Policy Advisor Eric Feeley, Air Quality Planner

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Agenda

- Welcome and Introductions
- Ground Rules
- Climate Pollution and Reduction Requirements
- Overview of Advanced Clean Truck Rules
- Review Draft Rule Amendments
- Discussion
- Public Comment
- Next steps



Ground Rules

- Prepares for and sets aside time for the meetings;
- Provides DEQ staff with copies of relevant research and documentation cited during the meeting;
- Comments constructively and in good faith;
- Consults regularly with constituencies to inform them on the process and gather their input;
- Treats everyone and their opinions with respect;
- Allows one person to speak at a time;
- Is courteous by not engaging in sidebar discussions; and
- Avoids representing to the public or media the views of any other committee member or the committee as a whole.
- Raises hand when wishing to speak



Oregon Climate Emissions Goals

- Oregon Revised Statute 468A.205
 - By 2050, achieve greenhouse gas levels that are at least 75 percent below 1990 levels.
- Executive Order 20-04
 - Achieve greenhouse gas levels that are 45 percent below 1990 levels by 2035.
 - Achieve greenhouse gas levels that are at least 80 percent below 1990 levels by 2050.



Medium and Heavy-Duty Vehicle Emissions

- Transportation accounts for approximately 35% of all climate emissions in Oregon
- MHD vehicles are responsible for an estimated 9.3 million metric tons of climate emissions annually
- Emissions estimates increase if Oregon does not decarbonize medium and heavy-duty fleet





Advanced Clean Trucks Rule

- Manufacturer Sales
 Requirement:
 - Must sell new plug-in hybrid/zero emission trucks as a percentage of their overall sales
- Begins with 2025 model year
- The rule does <u>not</u> ban diesel trucks or sales of diesel trucks



ACT in Oregon Today

- Enough credits are available for manufacturers to meet 2025 Class 2b-3 and 4-8 straight truck targets
- OEM's are delivering more than enough ZEV to help Oregon meet its climate goals and ACT targets
 - Oregon DEQ calculated the early action credits based on 2022 and 2023 reported sales and confirmed 1,469 credits available today
 - 1,469 credits will more than cover Class 2b-3 and 4-8 Straight Truck estimated deficits in 2025
 - 2025 estimate based on average of 2022 and 2023 reported sales



ACT– Current Flexibility

- Rules are designed to support a flexible and achievable transition
- Sales target that starts low and grows over time
- Credit for ZEV or plug-in hybrid emission trucks in Oregon
- Purchase credits from other manufacturers
- Credit for ZEV trucks sold in 2022 2024
- Flexibility to trade credits among some vehicle classes (non-tractors)
- Allows additional time to comply
- Exempts low-volume manufacturers



ACT – Current Temporary Flexibility

- California adopted ACT amendments on Oct. 24, 2024
- Proposed changes/flexibilities include:
 - Increased deficit makeup period from one model year to three model years
 - Manufacturer compliance to be based on reported sales of vehicles delivered into the state instead of when vehicles reach the ultimate purchaser

–Incorporation of Zero Emission Powertrain amendments



ACT – Proposed Additional Flexibility

CARB proposed 15-day changes on Nov. 21, 2024

- When an OEM produces 2026 HDO HHD compliant engine for the Oregon market it will not accrue a deficit
 - Vehicle Sales for this type of engine will not be included in calculation
 - Could be a significant amount of Oregon Class 7-8 market
- To maintain identicality, Oregon DEQ will propose these additional flexibilities during current rulemaking



ACT – Additional Flexibility for Class 7-8

- Oregon is considering additional support for Class 7-8 tractors
- Sales of Zero Emissions Class 7-8 tractors in Oregon are not anticipated to meet initial ACT requirements
- Begin a discussion of additional measures beyond current and temporary flexibility



ACT – Additional Flexibility for Class 7-8

- Proportional credits
 - Example in place in Advanced Clean Car regulations

- Oregon would provide free credits upon adoption
 - Based on a percentage of credits earned in California
 - Multiplied by a factor sufficient to provide smooth transition
 - In addition to early action credits
 - Provides certainty in early years of ACT implementation



Proportional Credits Example

Determine Oregon's proportion of overall truck sales relative to California:

	California sales (2022- 2023) average	Oregon sales (2022-2023) average	Proportional factor	
	100,000	20,000	20%	
#2				

Calculate the number of Proportional "Free" Class 7-8 ZEV Credits available in Oregon:

Manufacturer	California 2023 Class 7-8 ZEV credits	Oregon proportional Class 7-8 ZEV credits	Oregon multiplier	Total # of Oregon proportional Class 7-8 ZEV credits
OEM #1	200	200 credits x 20% = 40 credits	4	160
OEM #2	10	10 credits x 20% = 2 credits	4	8



Potential ZEV Compliance Path for Class 7-8 tractors





Proportional Credits – Discussion Topics

- What questions do you have about proportional credits?
- What should DEQ consider during program design?
- How can manufacturers envision this working in 2025-2026?

 What other questions and concerns do committee members have?



Draft Rule Review – Discussion Topics

- Make the Nov. 2024 Temp Rules Permanent
- Incorporate additional changes from CA
- Consider Proportional Credits in Oregon
- Discuss additional topics and ideas
 - How can Oregon DEQ build these regulations to work best?
 - What do Oregon vehicle dealers and fleets need from manufacturers to be successful?
 - What other questions and concerns do committee members have?







Public Comment Period



Public Comment Instructions

To verbally ask a question or make a comment:

- If you have joined by Zoom, click "Raise Hand"
- If you have joined by phone, press *9 to raise your hand
- If you are commenting by phone, dial *6 to unmute
- Please provide your name and affiliation
- Attendees will be allocated reasonable time for public comment depending on the number of commenters



Additional Advisory Committee Feedback



Next Steps

- Rulemaking Advisory Committee Meeting #3: March 17
 - Review of draft Fiscal Impact Statement for amendments to both HD Omnibus and ACT rules
- Notice of Proposed Rulemaking: late March/April
- Public hearing: late April 2025
- EQC considers proposed rules: July 10-11, 2025
- Please email any additional comments by Friday March 14 to: <u>CTR.2025@DEQ.oregon.gov</u>

<u>Website</u>



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