

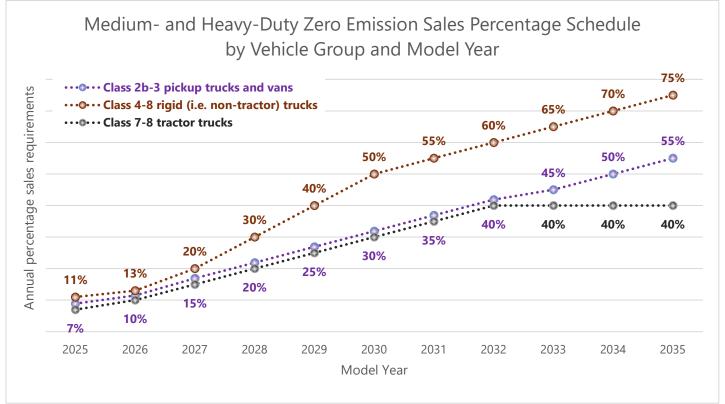
Oregon's New Rules for Medium- and Heavy-Duty Vehicles and Engines

What are the Clean Truck Rules?

In November 2021, Oregon's Environmental Quality Commission adopted the <u>Clean Truck Rules</u>. They were adopted by referencing California's <u>Advanced Clean Trucks</u> rule and <u>Heavy-Duty Engine and Vehicle Omnibus</u> (also known as the Low NOx Omnibus) rule.

What do the new rules require?

The ACT Rule requires medium- and heavy-duty vehicle manufacturers to sell zero-emission vehicles as a certain percentage of new vehicle sales, beginning with the 2025 model year. Manufacturers must increase their zero-emission new truck sales in Oregon year-over-year as a percent of their total new truck sales based on the truck class-size category. This affects any new on-road vehicle over 8,500 lbs. gross vehicle weight rating.



Translation or other formats

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The Low NOx Omnibus Rules lower emission standards for conventionally fueled new heavy-duty vehicle engines for oxides of nitrogen (NOx) and fine particulate matter (PM^{2.5}).

- The first phase of these rules begins with engine model year 2025 when the standard for NOx emissions is lowered by 75% and the standard for PM^{2.5} is lowered by 50% when compared with the 2023 standards.
- The second phase starts with engine model year 2027 when the standard for NOx emissions is lowered by 90% when compared with the 2023 standard. There is no additional change to PM^{2.5} standards.

To whom do the rules apply?

These rules apply to any manufacturers offering new medium- and heavy-duty vehicles and engines for sale in Oregon. However, if a manufacturer sells on average less than 500 medium- and heavy-duty vehicles in a model year, then it is exempt from the ACT Rule requirements.

Is DEQ planning any changes to these rules?

On July 3, 2024, DEQ Director Leah Feldon <u>adopted amendments</u> to delay implementation of the Low NOx Omnibus Rules for one year. This action makes permanent a similar <u>temporary rule</u> the Environmental Quality Commission adopted on Nov. 16, 2023. The Low NOx Omnibus Rules will now go into effect with engine model year 2025 or vehicle model year 2026, depending on the specific rule provision.

The new amendments also included adoption of recent California updates that increase compliance flexibility for engine manufacturers. These include allowing engine manufacturers to sell a larger volume of legacy engines. The amendments went into effect on July 15, 2024.

As of July 31, 2024, DEQ will temporarily exercise <u>enforcement discretion</u> for new school buses and solid waste collection vehicles sold within Oregon related to the Low NOx Omnibus Rules (please see this <u>FAQ document</u> for additional information). The agency intends to propose new rule amendments by mid-2025 to create additional exemptions under the Low NOx Omnibus Rules for school buses and solid waste collection vehicles.

In addition, DEQ is closely tracking any California amendments to the ACT and Low NOx Omnibus Rules and will propose updated amendments to ensure Oregon remains aligned with the California requirements.

What about the recent agreement between California and the engine manufacturers?

In July 2023, California's Air Resources Board and the heavy-duty vehicle manufacturers signed an agreement called the <u>"Clean Truck Partnership."</u> Its terms include a commitment from California to:

- Provide additional options for manufacturers of conventionally fueled engines (diesel, gasoline, etc.) for the 2024-2026 engine model years. Manufacturers must still develop and certify new low NOx compliant engines that meet the 2024 standards. However, engines meeting the current 2023 standards (aka, legacy engines) could continue to be sold through 2026 up to specific new caps. Engine manufacturers are required to offset any additional emissions from the sale of the legacy engines.
- Align with the U.S. Environmental Protection Agency's new 2027 heavy-duty vehicle emission standards

The changes are designed to be both responsive to business decisions made since the adoption of the Low NOx Omnibus Rules and to ensure engines are meeting Low NOx emission requirements. During this time, manufacturers will continue to transition the heavy-duty vehicle sector to zero-emission technology.



How does this agreement affect Oregon?

Oregon is closely tracking California's actions to align with EPA's new 2027 heavy-duty vehicle emission standards. DEQ will consider any future changes made to California's Low NOx Omnibus Rules and propose updated amendments in Oregon as necessary in order for the two states to remain aligned and ensure a smooth transition for manufacturers.

What are the rules that apply to fleets that plan to purchase new medium- and heavy-duty vehicles and engines in Oregon?

Vehicle owners or fleets do not have any specific purchasing requirements. The adopted rules only apply to businesses or manufacturers that sell new medium- and heavy-duty vehicles and engines in Oregon.

NOTE: California recently adopted the <u>Advanced Clean Fleets Rule</u>, which requires government and high priority fleets (organizations with \$50 million or more in annual sales or at least 50 vehicles) to phase in ZEVs as a percentage of their total fleet. Additionally, it requires that by model year 2036, all new medium- and heavy-duty trucks sold must be ZEV. **Oregon has not adopted this rule and has no immediate plans to do so.**

What is DEQ doing to help support the transition to cleaner medium- and heavyduty vehicles and engines?

There are several grant programs and opportunities available to help fleets make the transition to cleaner vehicles or engines. They include funding to support reducing diesel emissions through replacing older, more polluting diesel vehicles with similar cleaner burning or all-electric equipment. Oregon DEQ offers the <u>Diesel</u> <u>Emission Mitigation Grants</u>, <u>Diesel Emission Reduction Act Grants</u> and <u>Congestion Mitigation Air Quality Grants</u>. The one-time <u>Zero-Emission Fueling Infrastructure Grants</u>, awarded \$15 million to support entities with installing and siting medium and heavy-duty charging infrastructure. DEQ is also in the process of establishing a <u>medium- and heavy-duty</u>, <u>zero-emission vehicle rebate program</u> for the purchase of new zero emission trucks. Recently, DEQ was awarded additional funding through an <u>EPA Climate Pollution Reduction Act</u> <u>Implementation Grant</u> to help fund grants and rebates for medium and heavy-duty vehicles and charging infrastructure.

DEQ's <u>Clean Fuels Program</u> offers incentives in the form of credits to providers of clean transportation fuels, including electricity. Owners of chargers that service on-road (light-, medium- and heavy-duty) and off-road vehicles can earn CFP credits when they report how much electricity is dispensed to EVs monthly. Those credits can be sold to other program participants and the revenue can be used at the discretion of the charger owner.

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