



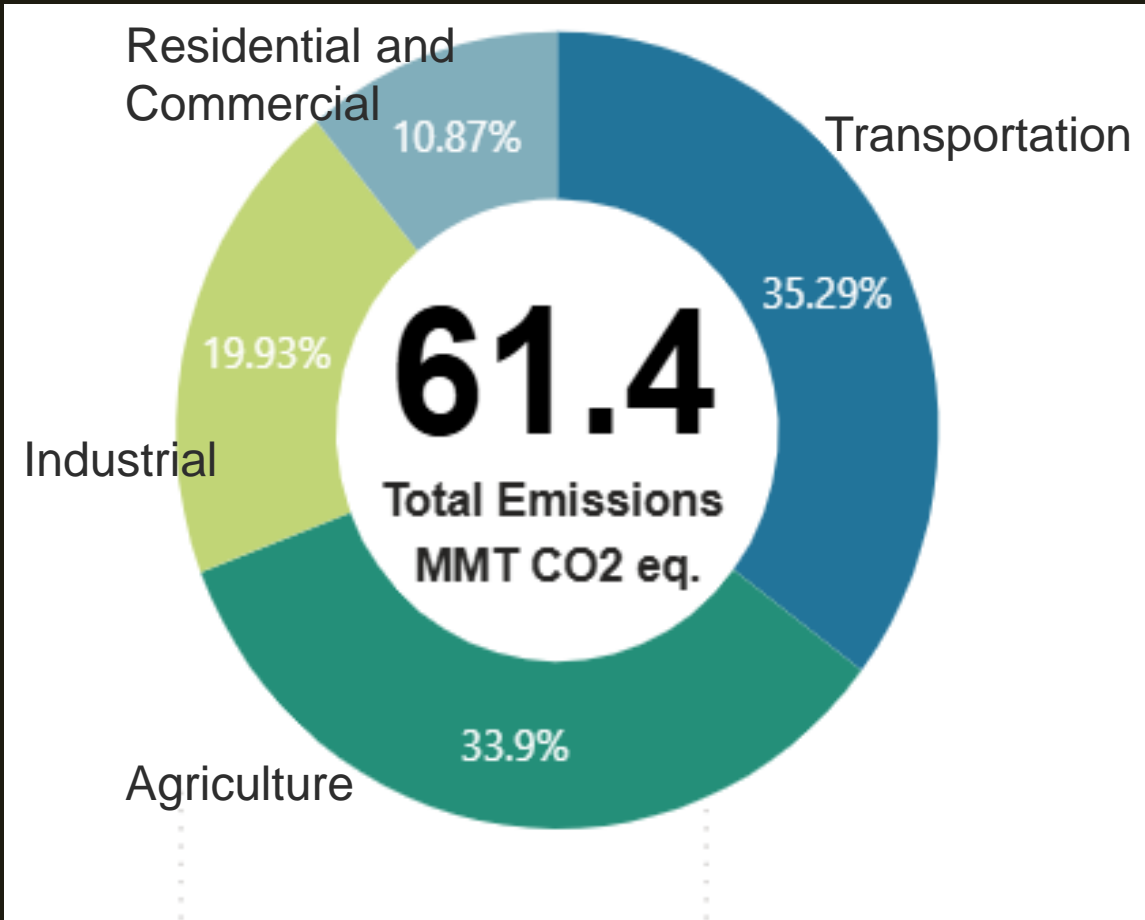
Oregon's Advanced Clean Trucks Rule

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Jan. 21, 2025

Joint Committee on Transportation

Oregon's Strategy to Address Tailpipe and Climate Pollution



MULTI-STATE MEDIUM- AND HEAVY-DUTY ZERO EMISSION VEHICLE

MEMORANDUM OF UNDERSTANDING

WHEREAS, the Signatory States and the District of Columbia¹ recognize the importance of state leadership and coordinated state action to ensure national progress in the effort to reduce greenhouse gas (GHG) emissions and stabilize global warming;

WHEREAS, the Signatory States have statutory obligations or otherwise seek to significantly reduce statewide GHG emissions by 2050, consistent with science-based targets;

WHEREAS, transportation is now the nation's largest source of GHG emissions, and, after light-duty vehicles, medium- and heavy-duty trucks are the next largest source of transportation sector GHG emissions;

WHEREAS, the Signatory States have a statutory obligation to provide their citizens with air quality that complies with national health-based air quality standards, which are required to be



Statewide Transportation Strategy: A 2050 Vision for Greenhouse Gas Reduction



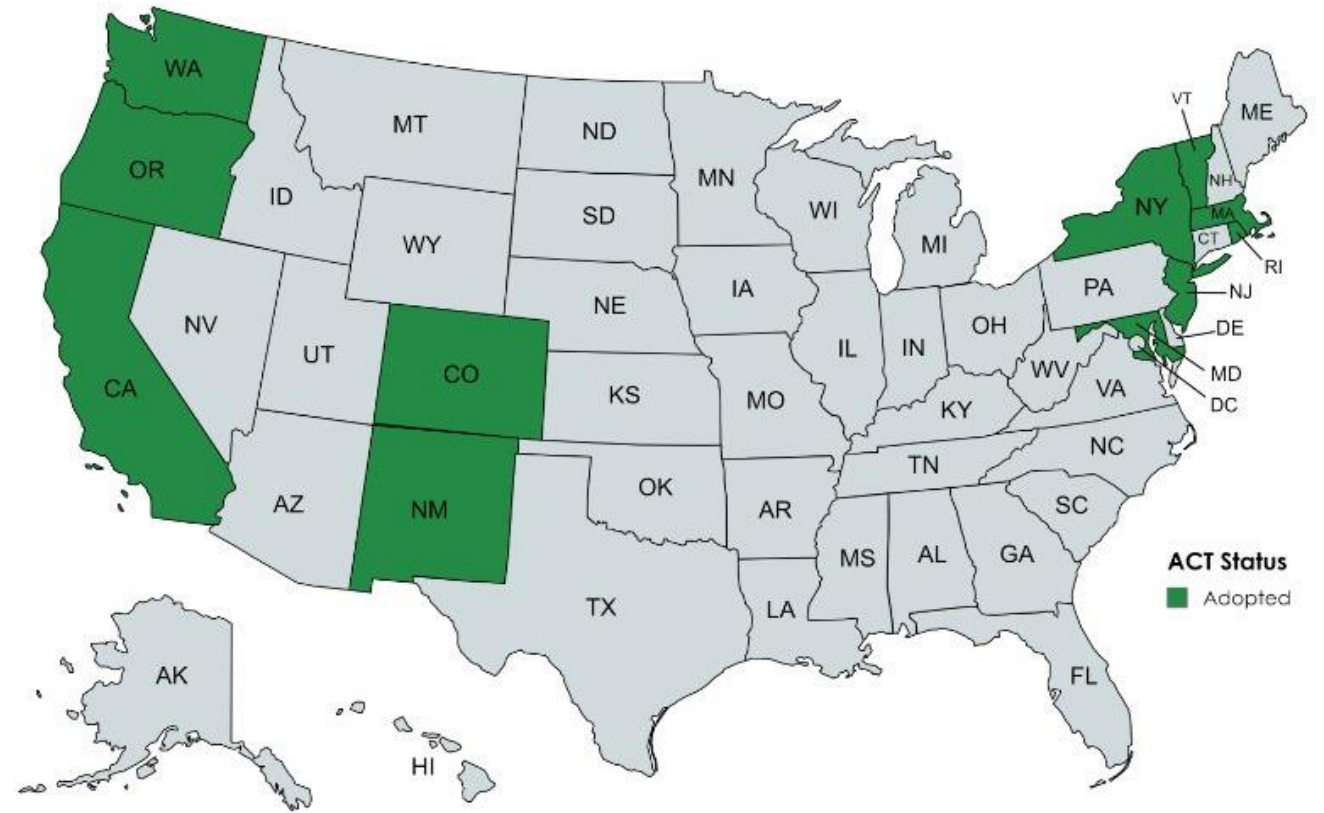
Multi-Agency Implementation Work Plan

June 2020 - June 2022

OREGON DEPARTMENT OF TRANSPORTATION, OREGON DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT, OREGON DEPARTMENT OF ENERGY, OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

Advanced Clean Trucks – Statewide Action

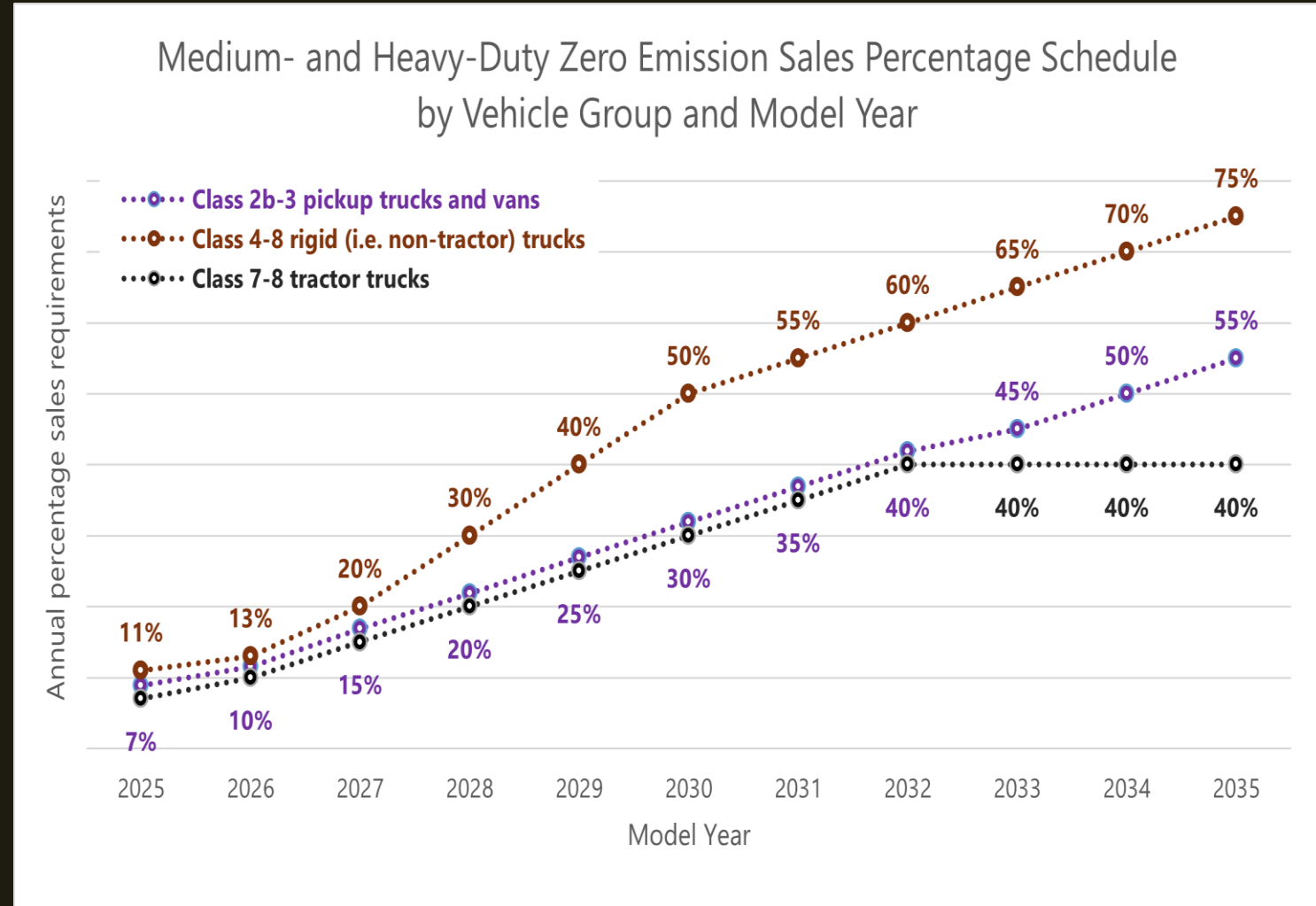
- 10 states have adopted the Advanced Clean Trucks regulation.
 - Represents 25% of new truck sales
- Oregon adopted the regulation in 2021.



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Background: Oregon Advanced Clean Trucks Rule

- Manufacturer sales requirement:
 - Must sell new plug-in hybrid emission vehicle/zero-emission vehicle trucks as a percentage of their overall sales.
- Rule begins with 2025 model year.
- The rule does not ban diesel trucks or sales of diesel trucks.



Advanced Clean Trucks - Flexibilities

- 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 vehicles 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.

Daimler Sales Pause and Resumption

- Recent rule updates changed how manufacturers can earn credits
 - Allows manufacturer compliance to be based on reported sales of vehicles delivered into the state, instead of when vehicles reach the ultimate purchaser.
- Initial communication from DEQ was unclear regarding counting of early-action credits.
- DEQ moved swiftly to resolve the confusion.

What DEQ is hearing:

- Availability, cost and suitability of ZEV trucks (especially Class 7-8 tractors)
- Availability of public charging infrastructure
- Dealers challenged by purchase mandates being imposed by manufacturers
- Adequacy of Oregon's incentives
- Trucks are a major source of greenhouse gas emissions and air quality pollutants
- Delaying ACT undercuts manufacturers that are delivering ZEVs to Oregon
- Delaying rule could divert ZEVs to other states
- Delaying rule could compromise Oregon's competitiveness for infrastructure funding

Next Steps

- Monitor the policy landscape.
- Pursue multi-state flexibilities for Class 7-8 tractor trucks.
 - Credit pooling
- Engage in ongoing conversations with interested parties.
- Initiate rulemaking process.
 - Rule scope will include evaluation of concerns and potential solutions.
 - Rule Advisory Committee meetings (Feb. - March 2025)
 - Public comment period and hearing (May 2025)

Questions?