



# Memorandum

**To:** Ali Mirzakhali, Administrator, Air Quality Division; Erin Saylor, Interim Manager, Office of Compliance and Enforcement

**From:** Leah Feldon, Director

**Date:** 06/13/2025

**Subject:** Limited Enforcement Discretion and No Penalty Justification Advanced Clean Cars II Regulation, Model Year 2026, OAR Chapter 340 Division 257

## Background

In November 2022, the Oregon Environmental Quality Commission (EQC) adopted the Advanced Clean Cars II (ACC II) regulation (OAR 340-257-0040 (1) & (3), -0050(2) (a), (f), (g), (h), (k-m), -0080(3). These rules align with the California Air Resources Board's (CARB) zero-emission vehicle (ZEV) standards and greenhouse gas emission standards for new light-duty vehicles. They regulate vehicle manufacturers and are intended to significantly reduce air pollution and greenhouse gas emissions while accelerating the transition to electric vehicles.

The ACC II regulation requires increasing percentages of zero-emission and plug-in hybrid electric vehicle sales starting with the 2026 model year. It is a vital component of Oregon's climate and public health strategies, consistent with statutory goals for reducing greenhouse gas emissions under ORS 468A.205.

However, recent developments at the federal level have introduced significant uncertainty for regulated manufacturers. For example, vehicle manufacturers may have questions regarding recent congressional action aimed at undermining the federal waiver that authorizes California's implementation of ACC II. The threat of tariffs impact Oregon's vehicle market with fluctuating impacts, real and perceived, among manufacturers. Additionally, federal programs that support ZEV adoption and infrastructure deployment have been stalled and called into question. Even though California is continuing to certify new vehicles for this program the overall dynamics are likely to impact the market conditions necessary for a smooth rollout of Model Year 2026 vehicles under ACC II requirements.

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## Exceptional Circumstances and No Penalty Justification

DEQ recognizes that the successful implementation of ACC II depends on a stable regulatory environment. The current federal uncertainty has made it unreasonably difficult for manufacturers to plan and execute compliance strategies for MY 2026 due to conflicting interpretations of the potential impact of recent actions.

This limited enforcement discretion is a pragmatic response to extraordinary circumstances. It reflects Oregon's commitment to regulatory certainty and reducing climate emissions while providing additional time to reassess and adapt to the shifting legal landscape among the State of Oregon, regulated vehicle manufacturers, and interested parties.

## Purpose

To address these near-term challenges while preserving the long-term integrity of the ACC II program, the Oregon Department of Environmental Quality (DEQ) is exercising enforcement discretion for Model Year 2026 only, as set forth below. This directive is intended to provide regulated manufacturers with limited flexibility in response to unforeseen federal disruptions while DEQ continues evaluating the policy, economic, and legal landscape.

## Directive to Exercise Enforcement Discretion

For Model Year 2026 passenger cars and light-duty trucks, and vehicles subject to ACC II:

- DEQ will not pursue enforcement actions against any vehicle manufacturer that fails to meet the ZEV sales percentage requirements set forth in Oregon's ACC II regulation for Model Year 2026 vehicles.
- This enforcement discretion applies only to the ZEV sales requirement for MY 2026. DEQ will continue to enforce all other regulatory obligations under ACC II including reporting, labeling, and warranty requirements.
- Manufacturers are encouraged to continue voluntary compliance with MY 2026 sales targets to the greatest extent feasible in support of Oregon's climate and air quality goals.
- This discretion does not constitute a waiver of any statutory or regulatory authority and does not amend or revise the ACC II regulation. DEQ retains the right to modify, revoke, or extend this directive in response to changes in state or federal conditions.

Manufacturers will continue to earn credits for delivery of Model Year 2026 certified zero emissions vehicles for sale in Oregon.

**Director's Office**  
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*DEQ's mission is to be a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.*



State of Oregon  
**DEQ** Department of Environmental Quality

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## Contact

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