

# 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 (ACT)</u> rule and <u>Heavy-Duty Engine and Vehicle</u> <u>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.

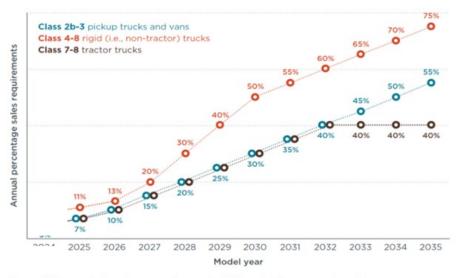


Figure 1: Zero-emission sales percentage schedule by vehicle group and model year.



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 (PM2.5).

- 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 PM2.5 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 PM2.5 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 Oregon in a model year, then it is exempt from the ACT Rule requirements.

#### Is DEQ planning any changes to these rules?

On Nov. 16, 2023, DEQ proposed, and the Environmental Quality Commission adopted a <u>temporary rule</u> to delay the implementation of the Low NOx Omnibus Rules in Oregon for one year. 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. By May 2024, DEQ will propose permanent rules to adopt additional manufacturer legacy engine options that California plans to finalize by the end of 2023.

#### 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 <u>agreement</u> called the "Clean Truck Partnership." 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 <u>2027 heavy-duty vehicle emission</u> 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, which include a rulemaking to revise the legacy engine options. Oregon plans to bring California's revised regulation before its Environmental Quality Commission by May 2024, to remain aligned with that state 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 mediumand 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 heavy-duty 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 Emission Mitigation Grants</u>, <u>Diesel Emission Reduction Act Grants</u>, and <u>Congestion Mitigation Air Quality Grants</u>. There was also funding available to support charging infrastructure through the one-time <u>Zero-Emission Fueling Infrastructure Grants</u> and DEQ recently received funding to provide incentives for medium- and heavy-duty, zero-emission vehicles purchases.

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 offroad 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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