California Air Resources Board (CARB)
Advanced Clean Trucks (ACT) Rule

What is the ACT rule?

The ACT regulation is focused on requiring large truck manufacturers to sell zero-emission trucks in California to broaden the market and accelerate widespread availability of ZEVs. The rule has two components including a manufacturer sales requirement and a large fleet and business entity reporting requirement:

- **Zero-emission truck sales:** Manufacturers who certify Class 2b-8 chassis or complete vehicles with combustion engines are required to sell zero-emission trucks as an increasing percentage of their annual California sales from 2024 to 2035. By 2035, zero-emission truck/chassis sales would need to be 55% of Class 2b – 3 truck sales, 75% of Class 4 – 8 straight truck sales, and 40% of truck tractor sales.
- **Reporting:** Fleet owners with 50 or more trucks and business entities >$50m who operate one or more vehicles above 8,500lbs GVWR in CA are required to report about their existing fleet operations as part of a one-time reporting requirement due April 2021. This information is intended to help shape the upcoming fleet regulation by identifying future strategies to ensure that fleets purchase available zero-emission trucks and place them in service where suitable to meet their needs.

Zero-Emission Truck Sales

Starting with the 2024 model year, a manufacturer will annually incur deficits based on the manufacturer's annual sales volume. The total number of deficits incurred annually must be *at least* equal to the number of ZEV and NZEV credits, which are generated by the production and sale of near zero-emission and zero-emission trucks in California.

Deficit Calculation- For each vehicle group, the annual deficit is calculated as the product of the model year percentage requirement from Table A-1, and the appropriate weight class modifier for each vehicle from Table A-2. Every model year, the deficits generated by each vehicle are summed for each vehicle group.

ZEV Credit Calculation- The ZEV credit generated for each vehicle sold is equal to the value of the appropriate weight class modifier in Table A-2.

NZEV Credit Calculation- The NZEV credit (available until the end of the 2035 model year) generated for each vehicle sold is calculated as the product of the appropriate weight class modifier in Table A-2 and the NZEV factor value (0.01 multiplied by the all-electric range; not to exceed 0.75).

Credits have a limited lifespan and must be used in a specific order. Manufacturers must annually report to CARB specified information about each vehicle produced and delivered for sale in California including the VIN, vehicle weight class, vehicle type, fuel and drivetrain type, and (if the vehicle is NZE) the tested all-electric range of the vehicle.

Requirements will be enforced through auditing. Manufacturers who fail to meet the credit and deficit requirements will be subject to penalties.

Table A-1. ZEV Sales Percentage Schedule

Model Year	Class 2b-3	Class 4-8	Class 7-8 Tractors Group
2024	5%	9%	5%
2025	7%	11%	7%
2026	10%	13%	10%
2027	15%	20%	15%
2028	20%	30%	20%
2029	25%	40%	25%
2030	30%	50%	30%
2031	35%	55%	35%
2032	40%	60%	40%
2033	45%	60%	40%
2034	50%	70%	40%
2035 and beyond	55%	75%	40%

Reporting Requirements for Fleets and Large Business Entities

Certain businesses must report information to CARB by April 1, 2021. This requirement applies to:

- Entities with gross annual revenues greater than $50 million in the United States for the 2019 tax year who operated a facility in California in 2019 and had one or more vehicles over 8,500 lbs. GVWR under common ownership or control that were operated in California in 2019;
- Any fleet owner in the 2019 calendar year with 50 or more vehicles with a GVWR greater than 8,500 lbs. under common ownership or control and operated a facility in California; and
- Any broker or entity that dispatched 50 or more vehicles with a GVWR greater than 8,500 lbs. into or throughout California, and operated a facility in California, in the 2019 calendar year.

The above entities must report the following general information about their entity and business practices:

- Company name; mailing address; contact person and their contact information; taxpayer identification number; TRUCRS ID (if applicable); total revenue for the entity for 2020; indicate whether or not the entity has broker authority under FMCSA; operating authority numbers (if applicable) – motor carrier ID number, US DOT number, California Carrier ID number, CPUC transportation charter permit number, IRP number; the number of entities you are contracted with to deliver items or perform work in California using vehicles over 8,500 lbs. GVWR in 2019 or 2020; identify whether your entity has a written sustainability plan to reduce your carbon footprint and whether that plan includes transportation emission reduction goals; and identify the number of vehicles with a GVWR over 8,500 lb. your entity owned in 2019 and 2020.

- If your entity has motor carrier or broker authority and contracts with subhaulers, you must identify the number of subhaulers, the number of vehicles operated by your subhaulers on your behalf, and the number of vehicles operated by subhaulers that operated under your motor carrier authority in California.

Along with this general information, regulated entities that own or operate any vehicles under common ownership or control, or that broker to use vehicles with a GVWR greater than 8,500 lbs. must report information about the vehicle home base where all on-road vehicles and off-road yard tractors are domiciled or assigned, including:

- Facility address; facility type; contact person and their contact information; identify whether the facility is owned or leased by the entity; what type of fueling and refueling infrastructure is installed at the facility; identify what types of trailers you pull if you have tractors assigned or domiciled at this facility; how many vehicles you have in each vehicle group.

Additionally, you must report the following for all vehicles above 8,500 lb. GVWR including off-road yard tractors.

- The percentage of vehicles in each vehicle group that operate up to 100 miles per day average, up to 150 miles per day average, up to 200 miles per day average, up to 300 miles per day average, operate more than 300 miles per day average; the percentage of each vehicles in each vehicle group that has a predictable pattern, primarily fuels onsite, typically returns to the vehicle home base daily, has onboard GPS or mileage tracking, tows a trailer more than 100 miles per day, commonly operates at its weight limit, is not registered in California, is regularly parked at the facility for more than 8 hours per day, is equipped with all-wheel drive, are not being operated; the average annual miles for a typical vehicle in this group; identify on average how long you keep vehicles after acquisition; identify whether your entity is the fleet owner for this group of vehicles, or if they are dispatched under your brokerage authority.