



Policy Statement: State GHG Emissions & Electrification Regulations

NAFA Position

NAFA supports the goals of state programs to lower vehicle related greenhouse gas (GHG) emissions and transition to zero emission vehicles (ZEVs). NAFA continues to expand and enhance its status as a credible resource where public and private fleets are impacted, and offers state legislators and regulators recommendations to improve such regulations in order to minimize burdens on fleets and provide all fleet managers a clear and feasible pathway to compliance.

Issue

Section 177 of the Clean Air Act allows California to adopt vehicle emissions standards stricter than federal standards. This has allowed California to propose and adopt far-reaching regulations over time to include Advanced Clean Cars I (2012), Heavy-Duty Low NOx Omnibus (2020), Advanced Clean Cars II (2022), Advanced Clean Trucks (2022), and Advanced Clean Fleets Regulations (2023). These regulations are designed to achieve the state's long-term emission reduction goals through increased stringency of ZEV sales and increased adoption of ZEVs. At present, available ZEV technologies are only battery electric vehicles (BEVs) and hydrogen fuel cell electric vehicles (FCEVs).

Advanced Clean Cars II (ACC II) regulation mandated 100 percent ZEV or plug-in hybrid electric vehicle (PHEV) sales by 2035 for all new cars and light-duty trucks while the advanced Clean Fleets (ACF) regulation mandated 100 percent ZEV sales by 2036 for all new medium- and heavy-duty vehicles.

The ACF regulation applies to fleets performing drayage operations, fleets owned by state, local, and federal government agencies, and fleets designated as high priority fleets. High priority fleets are entities that own, operate, or direct at least one vehicle in California, and that have either \$50 million or more in gross annual revenues, or that own, operate, or have common ownership or control of a total of 50 or more vehicles (excluding light-duty package delivery vehicles). The regulation affects medium- and heavy-duty on-road vehicles with a gross vehicle weight rating greater than 8,500 pounds, off-road yard tractors, and light-duty mail and package delivery vehicles.

Many states look to California for leadership in this area and model their own regulations on California's. These regulations can impose significant operating costs and burdens on fleets as well as compliance risks. NAFA works to minimize such burdens in the implementation of these regulations.

Background

Currently, 17 states have adopted all or part of California's low emission and zero emission regulations; Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New Mexico, New York, Nevada, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia and Washington, as well as the District of Columbia and the Canadian province of Quebec.


A number of states besides California are also mandating 100 percent ZEV sales by 2035 for all new cars and light-duty trucks, including Connecticut, Delaware, Massachusetts, New Jersey, New York, and Oregon, and the Canadian province of Quebec. Vermont and Washington have gone even further as their mandates take effect in 2030.

These several states Massachusetts, New Jersey, New York, Oregon, Vermont, and Washington have also adopted the Advanced Clean Trucks (ACT) regulation. The ACF and the ACT regulations are part of

CARB's overall approach to accelerate a large-scale transition to zero emission medium- and heavy-duty vehicles. These regulations are intended to work together to ensure that ZEVs are brought to market.

Fleets face a range of challenges in implementing these regulations. While we have achieved many improvements to the original ACF regulation, such as the provisions listed in the table below, there are still numerous issues. Some of the problems fleets continue to face include: (1) lack of clarity around total costs, and where the funding will come from; (2) adequate utility infrastructure within the compliance timeframes; (3) commercial availability of EVs suitable to meet fleet needs, in proper configurations and comparable in range and duty cycles; and (4) resiliency - the ability to support non-emergency vehicles that must deliver critical services in a given emergency situation.

Provision	Summary
Vehicle Delivery Delay Extension	Remain compliant if ZEV order delayed
Infrastructure Delay Extension	Up to 5 years for onsite ZEV infrastructure delays
ZEV Purchase Exemption	Can buy ICE vehicle from CARB list or apply if not available in configuration needed
Daily Usage Exemption	Can buy ICE vehicle if mileage or hours of ZEV not suitable for placement in the fleet
Mutual Aid Assistance	Reserve 25% of fleet for use in mutual aid agreements
Waste and Wastewater Fleets	More time for CNG trucks supporting waste diversion and biomethane production
Rental Vehicle Provision	Flexibility to address transient rental fleet vehicles
Five-Day Pass	Temporary pass to operate non-compliant trucks up to 5 days per year
Non-Repairable Vehicle	Flexibility to purchase used replacement ICE vehicle in case of accident
Backup Vehicle Exemption	Excludes vehicle operated less than 1000 miles per year
Intermittent Snow Removal	May purchase ICE vehicles until 2030
Vehicle Transit Agency Exemption	Excludes transit agencies and their maintenance vehicles until 2030



This regulatory push towards electrification of fleets led by California is the most impactful public policy issue facing fleet managers today. The complexities, the costs, and the uncertainty associated with the rules are presenting a challenge to public and private fleet managers in the affected states. As other states introduce these regulations NAFA will continue to work closely with legislators, regulators and other industry stakeholders to help ensure that final regulations are workable and cost-effective for fleets and reflect the unique role fleets play. We welcome NAFA member participation in our advocacy efforts; it is your voice and expertise that makes NAFA advocacy successful.

About NAFA Fleet Management Association

NAFA Fleet Management Association is the membership organization for professionals who manage the mobility requirements of vehicle fleets that include commercial, public safety, trucks, and buses of all types and sizes, and a wide range of military and off-road equipment for corporations, governments, universities, utility fleets, and law enforcement in North America and across the globe. NAFA's members are responsible for the specification, acquisition, maintenance, repair, fueling, risk management, and remarketing of more than 4.8 million vehicles that drive an estimated 84 billion miles each year. NAFA's members control assets and services well above \$122 billion each year.

For more information, please visit www.nafa.org, and communicate with NAFA on [LinkedIn](#), [Facebook](#), and [X](#).

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