

§ 1962.2. Zero-Emission Vehicle Standards for 2018 and Subsequent Model Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles.

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(c) Transitional Zero-Emission Vehicles (TZEV).

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(2) TZEV Requirements.

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(B) Evaporative Emissions. Certify the vehicle to the evaporative emission standards in subdivision 1976(b)(1)(G) ~~or 1976(b)(1)(E)~~ ~~Manufacturers may certify 2018 and 2019 TZEVs to the evaporative standards for PCs and LDTs in subdivision 1976(b)(1)(E);~~

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(3) Allowances for TZEVs

(A) Zero-Emission Vehicle Miles Traveled TZEV Allowance Calculation. A vehicle that meets the requirements of subdivision 1962.2(c)(2) and has zero-emission vehicle miles traveled (VMT), as defined by and calculated by the "California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," adopted March 22, 2012, last amended December 6, 2012, which is incorporated herein by reference, and measured as equivalent all electric range (EAER) capability will generate an allowance according to the following equation:

<i>UDDS Test Cycle Range (EAER)</i>	<i>Allowance</i>
<10 all electric miles	0.00
≥10 all electric miles	TZEV Credit = [(0.01) * EAER + 0.30]
>80 miles (credit cap)	1.10

1. Allowance for US06 Capability. TZEVs with US06 all electric range capability (AER) of at least 10 miles shall earn an additional 0.2

allowance. US06 test cycle range capability shall be determined in accordance with section ~~E.8~~G.7.5 of the "California Exhaust Emission Standards and Test Procedures for the 2018 and Subsequent Model Zero-Emission Vehicles, and Hybrid Electric Vehicles in the Passenger Car, Light-Duty Truck, and Medium Duty Vehicle Classes," adopted March 22, 2012, last amended December 6, 2012, which is incorporated herein by reference.

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(g) Generation and Use of Credits; Calculation of Penalties

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(6) Use of ZEV Credits.

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~~(C) GHG-ZEV Over-Compliance Credits.~~

~~1. **Application.** Manufacturers may apply to the Executive Officer, no later than December 31, 2016, to be eligible for this subdivision 1962.2(g)(6)(C), based on the following qualifications:~~

~~a. A manufacturer must have no model year 2017 compliance debits and no outstanding debits from all previous model year compliance with sections 1961.1 and 1961.3, or must have demonstrated compliance with the National greenhouse gas program as allowed by subdivisions 1961.1(a)(1)(A)(ii) and 1961.3(c); and~~

~~b. A manufacturer must have no model year 2017 compliance debits and no outstanding debits from all previous model year compliance with section 1962.1; and~~

~~c. A manufacturer must submit documentation of its projected product plans to show over compliance with the manufacturer's section 1961.3 requirements, or over compliance with National greenhouse gas program requirements as allowed by subdivision 1961.3(c), by at least 2.0 gCO₂/mile in each model year through the entire 2018 through 2021 model year period, and its commitment to do so in each year.~~

2. Credit Generation and Calculation. Manufacturers must calculate their over compliance with section 1961.3 requirements, or over compliance with the National greenhouse gas program requirements as allowed by subdivision 1961.3(c), for model years 2018 through 2021 based on compliance with the previous model year standard. For example, to generate credits for this subdivision 1962.2(g)(6)(C) for model year 2018, manufacturers would calculate credits based on model year 2017 compliance with section 1961.3, or over compliance with the National greenhouse gas program as allowed by subdivision 1961.3(c).

a. At least 2.0 gCO₂/mile over compliance with section 1961.3, or over compliance with the National greenhouse gas program as allowed by subdivision 1961.3(c), is required in each year and the following equation must be used to calculate the amount of ZEV credits earned for purposes of this subdivision 1962.2(g)(6)(C), and:

$$[(\text{Manufacturer US PC and LDT Sales}) \times (\text{gCO}_2/\text{mile below manufacturer GHG standard for a given model year})] / (\text{Manufacturer GHG standard for a given model year})$$

b. Credits earned under section subdivision 1961.3(a)(9), or credits earned under 40 CFR, part 86, Subpart S, §86.1866-12(a), §86.1866-12(b), or §86.1870-12, may not be included in the calculation of gCO₂/mile credits for use in the above equation in subdivision a. All ZEVs included in the calculation above must include upstream emission values found in section 1961.3.

c. Banked gCO₂/mile credits earned under sections 1961.1 and 1961.3, or under the National greenhouse gas program requirements as allowed by subdivision 1961.3(c), from previous model years or from other manufacturers may not be included in the calculation of gCO₂/mile credits for use in the above equation in subdivision a.

3. Use of GHG-ZEV Over Compliance Credits. A manufacturer may use no more than the percentage enumerated in the table below to meet either the total ZEV requirement nor the portion of their ZEV requirement that must be met with ZEV credits, with credits earned under this subdivision 1962.2(g)(6)(C).

2018	2019	2020	2021
50%	50%	40%	30%

~~Credits earned in any given model year under this subdivision 1962.2(g)(6)(C) may only be used in the applicable model year and may not be used in any other model year.~~

~~gCO₂/mile credits used to calculate GHG-ZEV over compliance credits under this provision must also be removed from the manufacturer's GHG compliance bank, and cannot be banked for future compliance toward section 1961.3, or towards compliance with the National greenhouse gas program requirements as allowed by subdivision 1961.3(c).~~

~~**4. Reporting Requirements.** Annually, manufacturers are required to submit calculations of credits for this subdivision 1962.2(g)(6)(C) for the model year, any remaining credits/debits from previous model years under section 1961.3, or under the National greenhouse gas program requirements as allowed by subdivision 1961.3(c), and projected credits/debits for future years through 2021 under section 1961.3 or under the National greenhouse gas program requirements as allowed by subdivision 1961.3(c) and this subdivision 1962.2(g)(6)(C).~~

~~If a manufacturer, who has been granted the ability to generate credits under this subdivision 1962.2(g)(6)(C), fails to over comply by at least 2.0 gCO₂/mile in any one year, the manufacturer will be subject to the full ZEV requirements for the model year and future model years, and will not be able to earn credits for any other model year under this subdivision 1962.2(g)(6)(C).~~

~~**5.** If the Executive Officer does not make a determination that a Federal greenhouse gas fleet standard is functionally equivalent to subdivision 1961.3, then this subdivision 1962.2(g)(6)(C) 1. through 4. is unavailable for use by any manufacturer.~~

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(h) Test Procedures.

(1) Determining Compliance. The certification requirements and test procedures for determining compliance with this section 1962.2 are set forth in "California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," adopted March 22, 2012, last amended December 6, 2012, which is incorporated herein by reference.

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Note: Authority cited: Sections 39600, 39601, 43013, 43018, 43101, 43104 and 43105, Health and Safety Code. Reference: Sections 38562, 39002, 39003, 39667, 43000, 43009.5, 43013, 43018, 43018.5, 43100, 43101, 43101.5, 43102, 43104, 43105, 43106, 43107, 43204, and 43205.5, Health and Safety Code.

