New Jersey's Heavy-Duty Vehicle Regulations Q&A for New Jersey Dealers NEW JERSE

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# Background



#### Definitions and acronyms:

- Heavy-duty GVWR in excess of 8,500 lbs., classes 2b-8
- Light-duty GVWR equal to or less than 8,500 lbs.
- CARB California Air Resources Board
- CAA Clean Air Act
- ZEV zero emission vehicle
- N.J.A.C. New Jersey Administrative Code
- ICE internal combustion engine

- When the 1970 Clean Air Act (CAA) was signed, federal lawmakers recognized that California had already started to require more stringent vehicle emission standards.
  - California was permitted to continue this practice.
- The CAA now allows states that have air quality problems to adopt California vehicle emission standards, in lieu of federal standards.
- The qualifier being that states must do so in a way that maintains identicality with California, so that no "third car" standard exists.
- New Jersey adopted California vehicle standards for light-duty vehicles in 2006, effective in 2009.
- This program requires stricter emission controls on ICE vehicles and manufacturers must deliver increasing percentages of ZEVs.

- Over the last few years, New Jersey has also adopted California standards for heavy-duty vehicles.
- As has been the case with light-duty vehicles, New Jersey is not alone in this process.
- We are joined by nine other states, plus California itself.
  - In total California, Colorado, Maryland, Massachusetts, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, and Washington have all adopted some form of California heavy-duty vehicle requirements.
- These states represent 26-27% of the national market share of heavy-duty vehicles.

- New Jersey has adopted *two separate* California heavy-duty vehicle programs.
  - Advanced Clean Trucks requires manufacturers to deliver ZEVs for sale to New Jersey.
    - This regulates manufacturers, not dealers.
  - Low NOx Omnibus regulates the standards new ICE vehicles and engines must meet to be sold in New Jersey.
    - This regulates dealers.
  - For the most part, these programs are mutually exclusive and the requirements do not overlap or interact.
- We will go over each program individually and try to answer your questions.

## Advanced Clean Trucks (ACT) Regulation

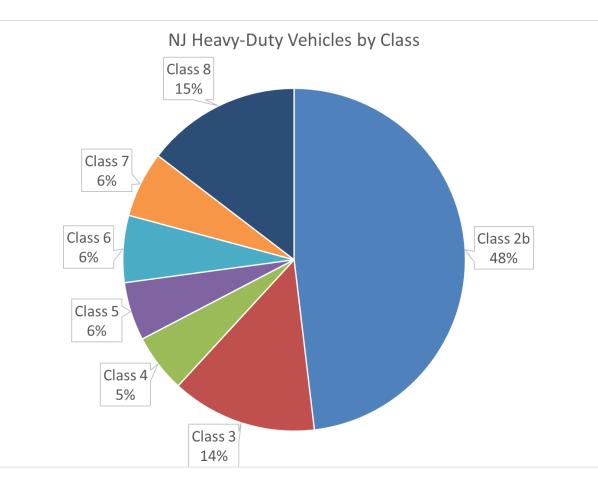


- Advanced Clean Trucks (ACT) Rulemaking
  - Proposed April 19, 2021
  - Public hearing May 20, 2021
  - Public comments were received until July 18, 2021
  - Adopted on December 20, 2021
  - N.J.A.C. 7:27-31
- When is it effective?
  - ACT is effective January 1, 2025 for model year 2025 and newer vehicles.
- Who is regulated?
  - Motor vehicle manufacturers.

- What does the ACT rule require?
  - Manufacturers must deliver for sale increasing percentages of ZEVs each model year, maxing out in 2035.

Table A-1. ZEV Sales Percentage Schedule

Model Year	Class 2b-3 Group	Class 4-8 Group	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%	65%	40%
2034	50%	70%	40%
2035 and beyond	55%	75%	40%



- Manufacturers have flexibility in meeting the ACT requirements:
  - Banked credits for future use, including early credits (beginning in 2022).
  - Trading and selling credits between manufacturers.
  - Weight class modifiers. Heavier weight classes earn more credits.

	Vehicles in the Class 2b-3		Class 6-7 Vehicles in the Class 4-8 Group	Class 8 Vehicles in the Class 4-8 Group	Vehicles in the Class 7 and 8 Tractor Group
Weight Class Modifier	0.8	1	1.5	2	2.5

Table A-2. Weight Class Modifiers

- Ability to move credits between some weight classes.
- Future possibility of pooling credits across multiple states. Still under development with CARB.
- Clean Truck Partnership with CARB created additional flexibilities.

- ACT Exemptions:
  - Emergency\* vehicles police, fire, ambulance, rescue
  - Military tactical vehicles

\*Note – emergency vehicles do not include trucks used to plow snow.

- How is ACT compliance determined?
  - The manufacturers report their annual production numbers to an online portal.
    - This includes information that allows us to determine what types of vehicles/engines were delivered where.
    - The data system determines if each manufacturer has produced and delivered enough ZEVs in each state to offset the deficits created by their ICE vehicle production for that state.
  - California, New Jersey, and other states, have been successfully using this type of system for many years to manage light-duty ZEVs sales requirements.

- To address frequently asked questions, the Department is maintaining a website accessible here: <u>https://dep.nj.gov/stopthesoot/advanced-clean-</u> <u>trucks-rule-fleet-reporting/</u>
- We will pause here to go over the FAQs on the website and then answer any ACT-related questions not already covered.

## Low NOx Omnibus or "Omnibus" Regulation

- Omnibus Rulemaking
  - Proposed November 7, 2022
  - Public hearing December 8, 2022
  - Public comments were received until January 6, 2023
  - Adopted on May 15, 2023
  - N.J.A.C. 7:27-28A
- When is it effective?
  - Omnibus is effective January 1, 2027 with model year 2027 and newer vehicles and engines.
- Who is regulated?
  - Any person who sells, leases, imports, delivers, purchases, acquires, registers, receives, or otherwise transfers, or offers for sale, lease, or rental a new heavy-duty motor vehicle or new engine intended for use in a heavy-duty vehicle.

- What does the Omnibus rule require?
  - All new heavy-duty vehicles and engines sold in New Jersey must be certified by CARB.
    - This means CARB has issued an Executive Order stating that a particular engine family meets California emission standards.

- Omnibus Exemptions:
  - Emergency\* vehicles
  - Military tactical vehicles
  - Medium-duty passenger vehicles
  - Heavy-duty ZEVs
  - Rental vehicles registered and principally operated outside of New Jersey
  - Vehicles transferred by inheritance or court decree
  - Vehicles originally registered in another state by a resident of that state, who subsequently establishes residence in this State
  - Vehicle transfers between dealers
  - Vehicles sold exclusively for the purpose of being wrecked or dismantled or for off-highway use

\*Note – emergency vehicles do not include trucks used to plow snow.

- How is Omnibus compliance enforced?
  - When a new vehicle is titled at the NJ Motor Vehicle Commission (MVC), a manufacturer's statement (or certificate) of origin (MSO or MCO) must be included.
  - The MSO or MCO will show whether the vehicle is CARB-certified or not.
  - New vehicles not CARB-certified will be denied a title and registration.
- New Jersey has used this process since 2009 for light-duty vehicles.

- To address frequently asked questions, the Department is maintaining a website accessible here: <u>https://dep.nj.gov/stopthesoot/low-nox-omnibus-program/</u>
- We will pause here to go over the FAQs on the website and then answer any Omnibus-related questions not already covered.

- What are we doing to help promote heavy-duty ZEVs and charging?
  - New Jersey has a long list of programs, projects, and incentive programs to promote heavy-duty ZEVs and charging infrastructure. It is available on our website here: <u>https://dep.nj.gov/wp-</u> content/uploads/stopthesoot/pdf/dmp/mhd-incentivesummary.pdf
  - We also have a list which covers light-duty programs and incentives we can share as well if you are interested. It is available on our website here: <u>https://dep.nj.gov/wp-</u>

content/uploads/drivegreen/pdf/incentivesummary.pdf





#### Thank you!

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