

STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

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To: Light-duty vehicle manufacturers

Medium- and heavy-duty vehicle manufacturers

Other interested parties

Date: June 6, 2025

Subject: Regulatory guidance for Advanced Clean Cars II, Advanced Clean Trucks,

and Heavy-Duty Low NOx Omnibus

Background

For more than 50 years, the U.S. Clean Air Act has given states a choice between accepting minimum standards for vehicle pollution set by the federal government or choosing stronger standards that are more protective of public health and our environment.

Since 2020, Washington has adopted stronger standards from California, including Advanced Clean Cars, Advanced Clean Cars II, Advanced Clean Trucks, and Heavy-Duty Low NOx Omnibus. Advanced Clean Cars and Advanced Clean Cars II apply to new, on-road passenger vehicles, and Advanced Clean Trucks applies to new, on-road medium- and heavy-duty vehicles. These programs took effect with model year 2025 and allow manufacturers the choice to either increase their sales of zero-emission vehicles in Washington or purchase credits from other manufacturers who exceed sales requirements. Sales requirements differ based on the type of vehicle. Heavy-Duty Low NOx Omnibus requires cleaner burning engines in all new, on-road medium- and heavy-duty internal combustion vehicles sold in Washington starting in model year 2026.

Now, upon request by the federal administration, Congress is attempting to force Washington and 17 other states to accept weaker standards that will worsen air pollution, increase carbon pollution, exacerbate health problems like asthma and heart disease, and reduce the United States' competitiveness in the global vehicle market. To do so, Congress passed three resolutions of disapproval in an attempt to repeal federal permission for states to implement the Advanced Clean Cars II, Advanced Clean Trucks, and Heavy-Duty Low NOx Omnibus programs.

In addition to creating uncertainty for vehicle manufacturers and buyers, there are problems with these actions that will likely be litigated in our nation's courts. This guidance memo provides certainty to vehicle manufacturers regarding Washington's emissions standards as courts review these disputed federal actions.

Congress' actions do not change Washington's commitment to transitioning to cleaner vehicles. Washington has legal limits on greenhouse gas emissions between now and 2050 which cannot be met without addressing transportation-- our state's biggest single source of greenhouse gas emissions. Ecology will work with partners and the State Legislature in advance of the 2026 legislative session to consider additional strategies to ensure that the transportation sector stays on track to reduce their emissions.

The switch to clean transportation is well underway in Washington, and we will continue moving forward. For years, our state has consistently demonstrated one of the highest adoption rates for zero-emission vehicles in the country and manufacturers are on track to exceed clean vehicle sales requirements in nearly every category. The Washington Department of Ecology will continue to give manufacturers credit for qualifying clean vehicle sales. We urge automakers to continue to innovate and invest in the future of clean transportation.

Manufacturer Guidance for Advanced Clean Cars II, Advanced Clean Trucks Regulation, and Heavy-Duty Low NOx Omnibus

This guidance is effective immediately and will expire six months for the date of its release. Additionally, this guidance replaces and supersedes the notice Ecology issued on April 18, 2025, regarding enforcement discretion under Advanced Clean Trucks and Heavy-Duty Low NOx Omnibus on snowplows, snow removal equipment, and street sweeper purchases by local and state agencies.

This guidance only applies to Advanced Clean Cars II, Advanced Clean Trucks, and Heavy-Duty Low NOx Omnibus. Advanced Clean Cars is not impacted by the disputed actions; implementation of Advanced Clean Cars will therefore continue without change. Program requirements are laid out in Chapter 173-423 WAC.

Even if Congress' disputed resolutions are signed by the President, manufacturers' ability to earn and bank vehicle values as part of Advanced Clean Cars II and earn credits for qualifying sales of zero-emission and plug-in hybrid vehicles as part of Advanced Clean Trucks will not be impacted.

While Ecology is pausing implementation of some portions of these programs (see below), Ecology will proceed with our current rulemaking for amendments to Advanced Clean Trucks and Heavy-Duty Low NOx Omnibus proposed on May 15, 2025.

Ecology reserves the right to revisit this issue as the situation evolves, including before the expiration date of this guidance.

Advanced Clean Cars II

Manufacturers may continue to earn and bank vehicle values, including early compliance values, by selling qualifying zero-emission and plug-in hybrid vehicles and reporting these sales to Ecology. Ecology will pause the deficit generation and vehicle value surrender requirements of Advanced Clean Cars II in Chapter 173-423 WAC until this guidance expires.

Advanced Clean Cars was not affected by Congress' disputed actions, and Ecology will continue to implement and enforce the program, including the vehicle value surrender requirements, for model year 2025. Guidance on Advanced Clean Cars' implementation and enforceability for future model years will be provided before the expiration date of this guidance.

Advanced Clean Trucks

Manufacturers may continue to earn credits in the program during this time for qualifying sales of zero-emission and plug-in hybrid vehicles; however, to qualify for these credits, manufacturers must supply internal combustion engine vehicles to distributors seeking them, without restriction — i.e., manufacturers may not engage in withholding or ratioing practices. Ecology will pause the deficit generation and credit surrender requirements of Advanced Clean Trucks in Chapter 173-423 WAC until this guidance has expired.

This guidance replaces and supersedes the notice of <u>Advanced Clean Trucks enforcement</u> <u>discretion</u> Ecology issued on April 18, 2025 (i.e., state and local agencies no longer need to submit written requests regarding purchases of snowplow, snow removal, and street-sweeping vehicles since all medium- and heavy-duty vehicle purchases are covered by this updated guidance).

Heavy-Duty Low NOx Omnibus

Under the <u>Clean Truck Partnership</u>, manufacturers agreed to voluntarily meet the requirements of Heavy-Duty Low NOx Omnibus for model year 2027 and beyond. Ecology will pause the deficit generation and credit surrender requirements of Heavy-Duty Low NOx Omnibus for model year 2026 only.

This guidance replaces and supersedes the Heavy-Duty Low NOx Omnibus components of the April 18, 2025, notice regarding enforcement discretion on snowplows, snow removal equipment, and street sweeper purchases by local and state agencies.