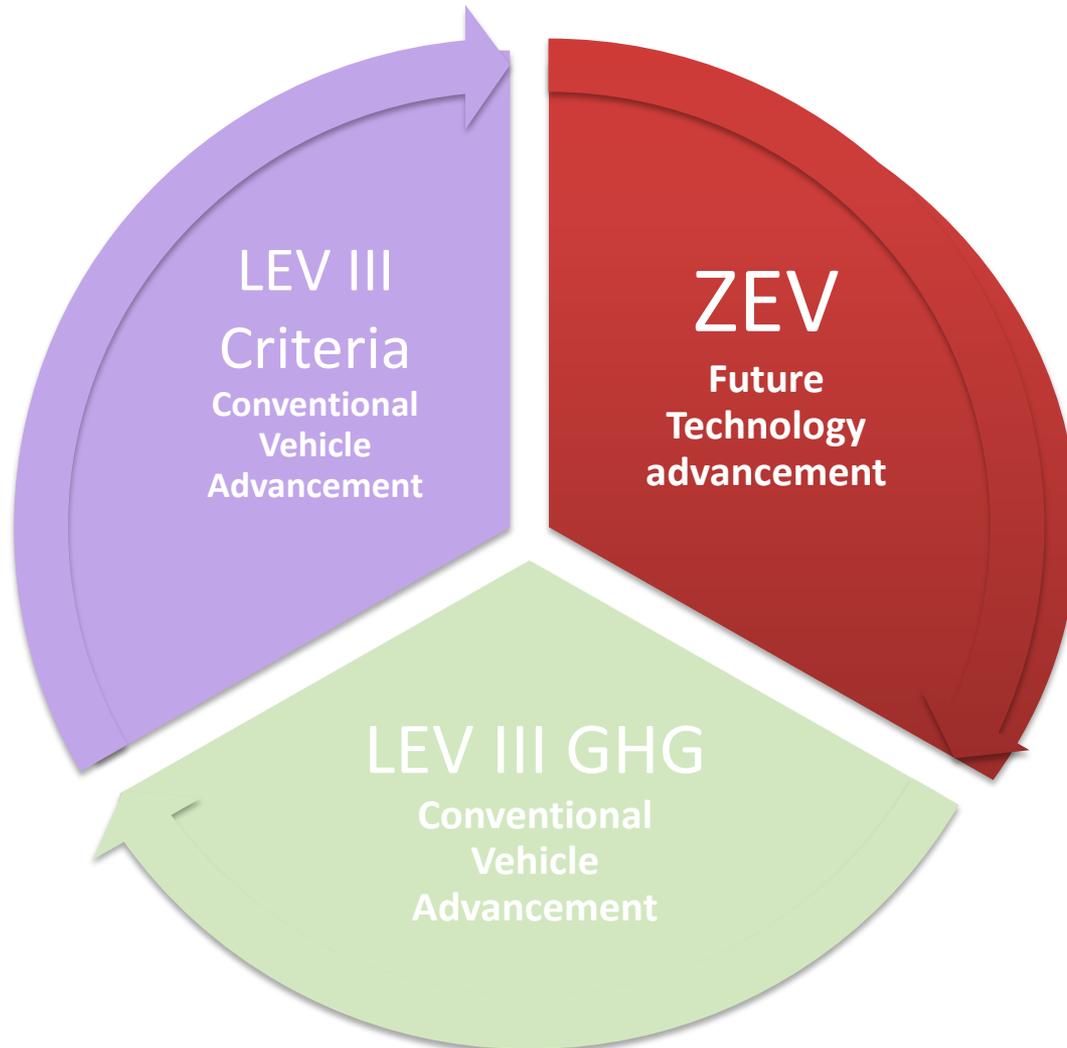
A decorative graphic consisting of a thin gold circle on the left side, a thick gold bracket on the right side, and a horizontal gold bar across the middle. The text is centered within the gold bar.

**Public Hearing to Consider Minor
Amendments to the ZEV Regulation**

Sacramento, California
October 24, 2013

Advanced Clean Cars



[Background]

- Advanced Clean Cars Regulations adopted in January 2012
- Finalized August 2012, Deemed to Comply finalized in November 2012
- EPA Waiver Granted January 2013
- Further minor amendments needed

ZEVs: How The Regulation Works

- Requires large OEMs to produce zero emitting passenger vehicles



Battery Electric Vehicles



Hydrogen Fuel Cell

- May substitute some with near-zero emission vehicles



Plug-in Hybrid Electric Vehicles



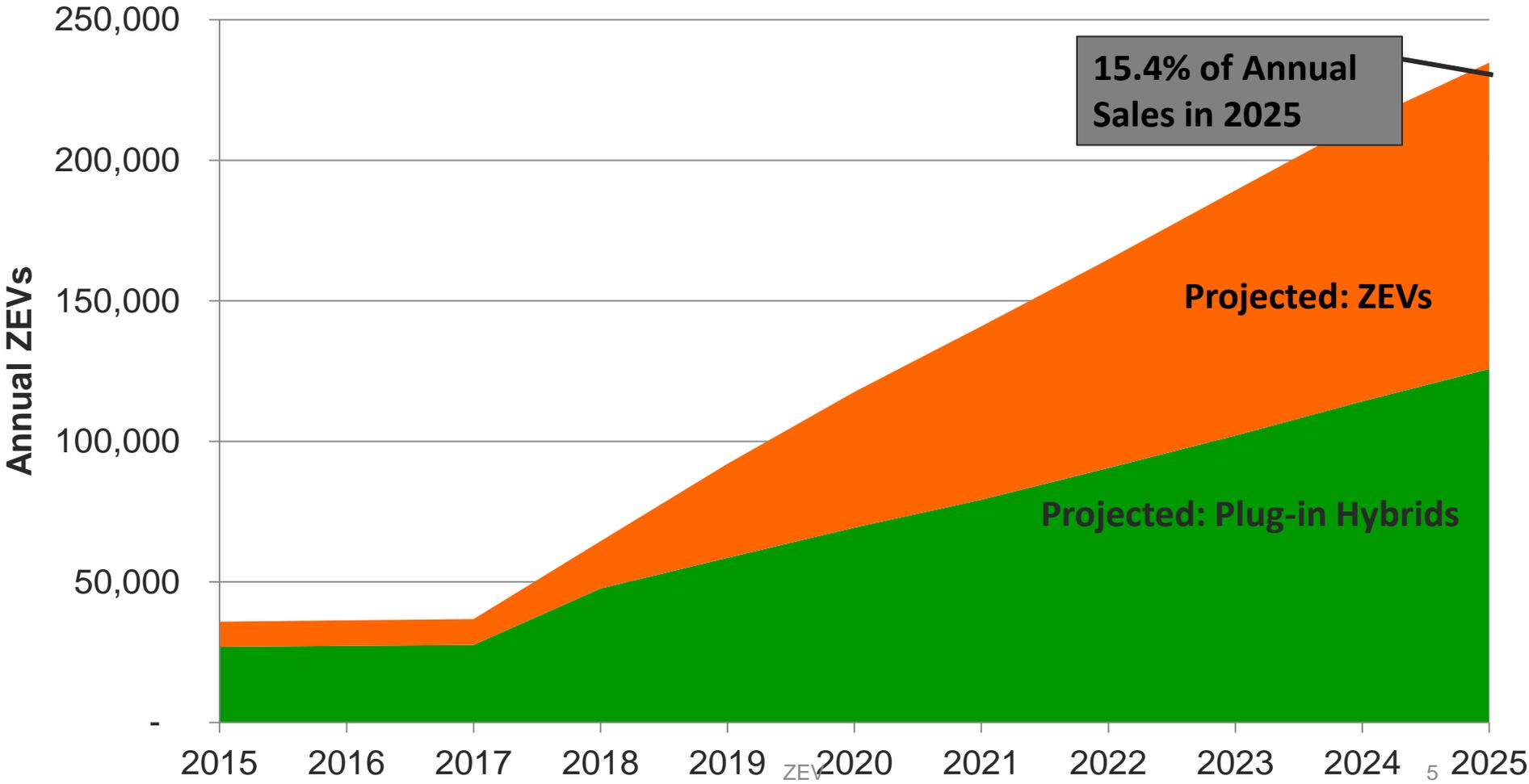
Conventional Hybrids



Clean Gasoline Vehicles (PZEVs)

ZEV

2015-2025 ZEV Requirements



15.4% of Annual Sales in 2025

Projected: ZEVs

Projected: Plug-in Hybrids

Overview of Amendments

- Adjusts the Optional Section 177 State Compliance Path
- Establishes new cap on non-ZEV credits
- Clarifies fast refueling definition by excluding battery exchange
- Other conforming and clarifying changes

Background: “Travel” Option



- Travel Provision allows OEMs to count BEVs and FCVs toward compliance in all Section 177 States
- 9 Current Section 177 States:
 - CT, ME, MD, MA, NJ, NY, OR, RI, VT
- Travel sunsets for BEVs in 2017
- Travel continues for FCVs beyond 2018

Background: Optional S177 State Compliance Path

■ Purpose of Provision:

To encourage manufacturers to produce additional ZEVs in the Section 177 States prior to 2018 model year

■ How Provision works:

- An OEM will deliver set amount of ZEVs in the S177 states in 2016 and 2017 model years
- If OEM opts in, then
 - OEM will be allowed to “pool” ZEV and PHEV credits
 - OEM will be allowed to comply with reduced PHEV and ZEV requirements through 2019



Proposal: Optional S177 State Compliance Path

■ How Provision is being modified:

- Allow 2012-2017 credits to be transferred within regional pools
- Clarify how IVMs can comply with path
- VINs upon request
- Add other clarifying language where needed



Background:

Applying Credits Caps (2018 +)

- Current Caps for LVMs, 2018 +

- BEVx (50% of Extended Range Battery Electric Greenhouse Gas (GHG) ZEV
- GHG Over Cap (30% of Total Transportation System Credits from ZEV, 50%-
- Transportation PHEV portion (10% of EV, 10% of
- Converted PHEV portion (PHEV portion)

- Bottom Line
up with no

25% Cap on PHEV Category

After PZEVs and hybrids leave the ZEV program after 2017 model year, OEMs can “convert” old PZEV and Hybrid credits to PHEV credits.

could end

Proposal: Applying Credit Caps (2018 +)

- Proposal:
In any given model year, can only meet 50% of minimum ZEV requirement with non-ZEV credits
- Individual caps still apply

Proposal: Modify Fast Refueling Definition

- Intent for regular use of fast refueling mechanism
- Current BEVs do not rely on battery exchange for refueling
- Proposal: tighten up definition of fast refueling
 - Designate battery exchange as ineligible for meeting fast refueling capability

Summary of Staff's Proposal

- Modify Optional Section 177 State Compliance Path
- Set new cap for non-ZEV credits
- Exclude battery exchange from qualifying as fast refueling