

## APPENDIX A

### PROPOSED REGULATION ORDER

#### Amendments to Sections 1900 and 1961, and Adoption of new Section 1961.1, Title 13, California Code of Regulations

Set forth below are the proposed amendments to title 13 of the California Code of Regulations. Proposed amendments are shown in underline to indicate additions and ~~strikeout~~ to indicate deletions.

#### § 1900. Definitions.

(a) [No change.]

(b) In addition to the definitions incorporated under subdivision (a), the following definitions shall govern the provisions of this chapter.

Definitions (b)(1) through (7). [No change.]

(~~8~~ 21) “Independent low volume manufacturer” means a manufacturer with California annual sales of less than 10,000 new passenger cars, light-duty trucks and medium-duty vehicles following aggregation of sales pursuant to this section 1900(b)(~~8~~ 21). Annual sales shall be determined as the average number or sales sold for the three previous consecutive model years for which a manufacturer seeks certification; however, for a manufacturer certifying for the first time in California, annual sales shall be based on projected California sales for the model year. A manufacturer’s California sales shall consist of all vehicles or engines produced by the manufacturer and delivered for sale in California, except that vehicles or engines produced by the manufacturer and marketed in California by another manufacturer under the other manufacturer’s nameplate shall be treated as California sales of the marketing manufacturer. The annual sales from different firms shall be aggregated in the following situations: (~~1~~ A) ~~y~~ Vehicles produced by two or more firms, one of which is 10% or greater part owned by another; ~~or~~ (~~2~~ B) ~~y~~ Vehicles produced by any two or more firms if a third party has equity ownership of 10% or more in each of the firms; ~~or~~ (~~3~~ C) ~~y~~ Vehicles produced by two or more firms having a common corporate officer(s) who is (are) responsible for the overall direction of the companies; ~~or~~ (~~4~~ D) ~~y~~ Vehicles imported or distributed by all firms where the vehicles are manufactured by the same entity and the importer or distributor is an authorized agent of the entity.

(~~9~~ 19) “Intermediate volume manufacturer” means any pre-2001 model year manufacturer with California sales between 3,001 and 60,000 new light- and medium-duty vehicles per model year based on the average number of vehicles sold by the manufacturer each model year from 1989 to 1993; any 2001 through 2002 model year manufacturer with California sales between 4,501 and 60,000 new

light- and medium-duty vehicles per model year based on the average number of vehicles sold by the manufacturer each model year from 1989 to 1993; and any 2003 and subsequent model year manufacturer with California sales between 4,501 and 60,000 new light- and medium-duty vehicles based on the average number of vehicles sold for the three previous consecutive model years for which a manufacturer seeks certification. For a manufacturer certifying for the first time in California, model year sales shall be based on projected California sales. A manufacturer's California sales shall consist of all vehicles or engines produced by the manufacturer and delivered for sale in California, except that vehicles or engines produced by the manufacturer and marketed in California by another manufacturer under the other manufacturer's nameplate shall be treated as California sales of the marketing manufacturer. For purposes of applying the 2005 and subsequent model year zero-emission vehicle requirements for intermediate-volume manufacturers under section 1962(b), the annual sales from different firms shall be aggregated in the case of (1) vehicles produced by two or more firms, each one of which either has a greater than 50% equity ownership in another or is more than 50% owned by another; or (2) vehicles produced by any two or more firms if a third party has equity ownership of greater than 50% in each firm.

For purposes of applying the 2009 and subsequent model year Greenhouse Gas requirements for intermediate volume manufacturers under section 1961.1, the annual sales from different firms shall be aggregated in the following situations: (1) vehicles produced by two or more firms, each one of which either has a greater than 10% equity ownership in another or is more than 10% owned by another; or (2) vehicles produced by any two or more firms if a third party has equity ownership of greater than 10% in each firm.

(10 20) "Large volume manufacturer" means any 2000 and subsequent model year manufacturer that is not a small volume manufacturer, or an independent low volume manufacturer, or an intermediate volume manufacturer.

(11 8) "Light-duty truck" means any 2000 and subsequent model motor vehicle certified to the standards in section 1961(a)(1) rated at 8,500 pounds gross vehicle weight or less, and any other motor vehicle rated at 6,000 pounds gross vehicle weight or less, which is designed primarily for purposes of transportation of property or is a derivative of such a vehicle, or is available with special features enabling off-street or off-highway operation and use.

(12) "Medium-duty passenger vehicle" means any medium-duty vehicle with a gross vehicle weight rating of less than 10,000 pounds that is designed primarily for the transportation of persons. The medium-duty passenger vehicle definition does not include any vehicle which: (1) is an "incomplete truck" i.e., is a truck that does not have the primary load carrying device or container attached; or (2) has a seating capacity of more than 12 persons; or (3) is designed for more than 9 persons in seating rearward of the driver's seat; or (4) is equipped with an open cargo area of 72.0 inches in interior length or more. A covered box not readily accessible from the passenger compartment will be considered an open cargo area, for purposes of this definition.

(13 9) "Medium-duty vehicle" means any pre-1995 model year heavy-duty vehicle having a manufacturer's gross vehicle weight rating of 8,500 pounds or less; any 1992 through 2006 model-year heavy-duty low-emission, ultra-low-emission, super-ultra-low-emission or zero-emission vehicle certified to the standards in section 1960.1(h)(2) having a manufacturer's gross vehicle weight rating of 14,000 pounds or less; any 1995 through 2003 model year heavy-duty vehicle certified to the standards in section 1960.1(h)(1) having a manufacturer's gross vehicle weight rating of 14,000 pounds or less; and any 2000 and subsequent model heavy-duty low-emission, ultra-low-emission, super-ultra-low-emission or zero-emission vehicle certified to the standards in Section 1961(a)(1) or 1962 having a manufacturer's gross vehicle weight rating between 8,501 and 14,000 pounds.

(14 10) "Modified part" means any aftermarket part intended to replace an original equipment emission-related part and which is not functionally identical to the original equipment part in all respects which in any way affect emissions, excluding a consolidated part.

(15 11) "Motorcycle engine" means an engine which is used to propel a new, street-use motorcycle.

(16) [Reserved.]

(17 12) "Passenger car" means any motor vehicle designed primarily for transportation of persons and having a design capacity of twelve persons or less.

(18 17) "Reactivity adjustment factor" means a fraction applied to the NMOG emissions from a vehicle powered by a fuel other than conventional gasoline for the purpose of determining a gasoline-equivalent NMOG level. The reactivity adjustment factor is defined as the ozone-forming potential of clean fuel vehicle exhaust divided by the ozone-forming potential of gasoline vehicle exhaust.

(19 13) "Recall" means:  
Subparagraphs (16)(A) and (B). [No change.]

(20 14) "Replacement part" means any aftermarket part intended to replace an original equipment emissions-related part and which is functionally identical to the original equipment part in all respects which in any way affect emissions (including durability), or a consolidated part.

(21 15) "Subgroup" means a set of vehicles within an engine family distinguishable by characteristics contained in the manufacturer's application for certification.

(22 18) "Small volume manufacturer" means, with respect to the 2001 and subsequent model-years, a manufacturer with California sales less than 4,500 new passenger cars, light-duty trucks, medium-duty vehicles, heavy-duty vehicles and heavy-duty engines based on the average number of vehicles sold for the three previous consecutive model years for which a manufacturer seeks certification as a small volume manufacturer; however, for manufacturers certifying for the first time in California model-year sales shall be based on projected California sales. A manufacturer's California sales shall

consist of all vehicles or engines produced by the manufacturer and delivered for sale in California, except that vehicles or engines produced by the manufacturer and marketed in California by another manufacturer under the other manufacturer's nameplate shall be treated as California sales of the marketing manufacturer. Except as provided in the next paragraph, beginning with the 2009 model year, the annual sales from different firms shall be aggregated in the following situations: (1) vehicles produced by two or more firms, one of which is 10% or greater part owned by another; or (2) vehicles produced by any two or more firms if a third party has equity ownership of 10% or more in each of the firms; or (3) vehicles produced by two or more firms having a common corporate officer(s) who is (are) responsible for the overall direction of the companies; or (4) vehicles imported or distributed by all firms where the vehicles are manufactured by the same entity and the importer or distributor is an authorized agent of the entity.

For purposes of compliance with the zero-emission vehicle requirements, heavy-duty vehicles and engines shall not be counted as part of a manufacturer's sales. For purposes of applying the 2005 and subsequent model year zero-emission vehicle requirements for small-volume manufacturers under section 1962(b), the annual sales from different firms shall be aggregated in the case of (1) vehicles produced by two or more firms, each one of which either has a greater than 50% equity ownership in another or is more than 50% owned by another; or (2) vehicles produced by any two or more firms if a third party has equity ownership of greater than 50% in each firm.

Note: Authority cited: Sections 39600, 39601, 43013, 43018, 43101, and 43104 Health and Safety Code.  
Reference: Sections 39002, 39003, 39010, 39500, 40000, 43000, 43013, 43018.5, 43100, 43101, 43101.5, 43102, 43104, 43106, and 43204, Health and Safety Code.

**§ 1961. Exhaust Emission Standards and Test Procedures - 2004 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles.**

*Introduction.* [No change.]

Sections (a) through (c). [No change.]

(d) *Test Procedures.* The certification requirements and test procedures for determining compliance with the emission standards in this section are set forth in the “California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles,” as amended ~~May 28, 2004~~ [INSERT DATE OF AMENDMENT], and the “California Non-Methane Organic Gas Test Procedures,” as amended July 30, 2002, which are incorporated herein by reference. In the case of hybrid electric vehicles and on-board fuel-fired heaters, the certification requirements and test procedures for determining compliance with the emission standards in this section are set forth in the “California Exhaust Emission Standards and Test Procedures for 2005 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes,” incorporated by reference in section 1962.

Section (e). [No change.]

Note: Authority cited: Sections 39500, 39600, 39601, 43013, 43018, 43101, 43104 and 43105, Health and Safety Code. Reference: Sections 39002, 39003, 39667, 43000, 43009.5, 43013, 43018, 43100, 43101, 43101.5, 43102, 43104, 43105, 43106, ~~43107~~, 43204, and 43205-5, Health and Safety Code.

Adopt new Section 1961.1, Title 13, Article 2, within Chapter 1, Division 3, California Code of Regulations, to read as follows: (Note: the entire text of section 1961.1 set forth below is new language proposed to be added to the California Code of Regulations.)

**§ 1961.1. Greenhouse Gas Exhaust Emission Standards and Test Procedures - 2009 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles.**

(a) *Greenhouse Gas Emission Requirements.* The greenhouse gas emission levels from new 2009 and subsequent model year passenger cars, light-duty trucks, and medium-duty passenger vehicles shall not exceed the following requirements. Light-duty trucks from 3751 lbs. LVW – 8500 lbs. GVW that are certified to the Optional LEV II NOx Standard in section 1961(a)(1) are exempt from these greenhouse gas emission requirements, however, passenger cars, light-duty trucks 0-3750 lbs. LVW, and medium-duty passenger vehicles are not eligible for this exemption.

(1) *Fleet Average Greenhouse Gas Requirements for Passenger Cars, Light-Duty Trucks, and Medium-Duty Passenger Vehicles.*

(A) The fleet average greenhouse gas exhaust mass emission values from passenger cars, light-duty trucks, and medium-duty passenger vehicles that are produced and delivered for sale in California each model year by a large volume manufacturer shall not exceed:

<b>FLEET AVERAGE GREENHOUSE GAS EXHAUST MASS EMISSION REQUIREMENTS FOR PASSENGER CAR, LIGHT-DUTY TRUCK, AND MEDIUM- DUTY PASSENGER VEHICLE WEIGHT CLASSES<sup>1</sup></b> (4,000 mile Durability Vehicle Basis)		
<i>Model Year</i>	<i>Fleet Average Greenhouse Gas Emissions (grams per mile CO<sub>2</sub>-equivalent)</i>	
	<i>All PCs; LDTs 0-3750 lbs. LVW</i>	<i>LDTs 3751 lbs. LVW - 8500 lbs. GVW; MDPVs</i>
2009	323	439
2010	301	420
2011	267	390
2012	233	361
2013	227	355
2014	222	350
2015	213	341
2016+	205	332

<sup>1</sup> Each manufacturer shall demonstrate compliance with these values in accordance with section 1961.1(a)(1)(B).

(B) *Calculation of Fleet Average Greenhouse Gas Value.*

1. *Basic Calculation.*

a. Each manufacturer shall calculate both a “city” grams per mile average CO<sub>2</sub>-equivalent value for each GHG vehicle test group and a “highway” grams per mile average CO<sub>2</sub>-equivalent value for each GHG vehicle test group, including vehicles certified in accordance with section 1960.5 and vehicles certified in accordance with section 1961(a)(14), using the following formula. Greenhouse Gas emissions used for the “city” CO<sub>2</sub>-equivalent value calculation shall be measured using the “FTP” test cycle (40 CFR, Part 86, Subpart B). Greenhouse Gas emissions used for the “highway” CO<sub>2</sub>-equivalent value calculation shall be based on emissions measured using the Highway Test Procedures.

$$\text{CO}_2\text{-Equivalent Value} = \text{CO}_2 + 296 \times \text{N}_2\text{O} + 23 \times \text{CH}_4 - \text{A/C Direct Emissions Allowance} - \text{A/C Indirect Emissions Allowance}$$

A manufacturer may use N<sub>2</sub>O = 0.006 grams per mile in lieu of measuring N<sub>2</sub>O exhaust emissions.

b. *A/C Direct Emissions Allowance.* A manufacturer may use the following A/C Direct Emission Allowances, upon approval of the Executive Officer, if that manufacturer demonstrates that the corresponding requirements are met. Such demonstration shall include specifications of the components used and an engineering evaluation that verifies the estimated lifetime emissions from the components and the system. A manufacturer shall also provide confirmation that the number of fittings and joints has been minimized and components have been optimized to minimize leakage.

i. A “low-leak air conditioning system” shall be defined as one that meets all of the following criteria:

- A. All pipe and hose connections are equipped with multiple o-rings, seal washers, or metal gaskets only (e.g., no single o-rings);
- B. All hoses in contact with the refrigerant must be ultra-low permeability barrier or veneer hose on both the high-pressure and the low-pressure sides of the system (e.g., no rubber hoses); and
- C. Only multiple-lip compressor shaft seals shall be used (with either compressor body o-rings or gaskets).

ii. For an air conditioning system that uses HFC-134a as the refrigerant:

- A. An A/C Direct Emissions Allowance of 3.0 CO<sub>2</sub>-equivalent grams per mile shall apply if the system meets the criteria for a “low-leak air conditioning system.”
- B. An A/C Direct Emissions Allowance of 3.0 CO<sub>2</sub>-equivalent grams per mile shall apply if the manufacturer demonstrates alternative technology that achieves equal or lower direct emissions than a “low-leak air conditioning system.”
- C. An A/C Direct Emissions Allowance greater than 3.0 CO<sub>2</sub>-equivalent grams per mile may apply for an air conditioning system that reduces refrigerant leakage further than would be obtained from a “low-leak air conditioning system.” A maximum A/C Direct Emissions Allowance of 6.0 CO<sub>2</sub>-equivalent grams per mile may be earned for an air conditioning system that has 100 percent containment of refrigerant during “normal operation.” To obtain an A/C Direct Emissions Allowance greater than 3.0 CO<sub>2</sub>-equivalent grams per mile, the manufacturer must provide an engineering evaluation that supports the allowance requested.

iii. For an air conditioning system that uses HFC-152a, CO<sub>2</sub> refrigerant, or any refrigerant with a GWP of 150 or less:

An A/C Direct Emissions Allowance shall be calculated using the following formula:

$$\text{A/C Direct Emissions Allowance} = A - (B \times C)$$



where: A = 9 CO<sub>2</sub>-equivalent grams per mile (the lifetime vehicle emissions expected from an air conditioning system that uses refrigerant HFC-134a);

$$B = 9 \text{ CO}_2\text{-equivalent g/mi} \times \frac{\text{GWP}}{1300}$$

where: B is the lifetime vehicle emissions expected from an air conditioning system that uses a refrigerant with a GWP of 150 or less, and

“GWP” means the GWP of this refrigerant; and

C = 1, except for an air conditioning system that meets the criteria of a “low-leak air conditioning system.”

For an air conditioning system that meets or exceeds the criteria of a “low-leak air conditioning system,” the following formula shall apply:

$$C = 1 - (0.12 \times \text{credit})$$

where: “credit” equals 3.0 CO<sub>2</sub>-equivalent grams per mile for a “low-leak air conditioning system” that meets the criteria of section 1961.1(a)(1)(B)1.b.i., or

“credit” equals a value greater than 3.0 CO<sub>2</sub>-equivalent grams per mile for an air conditioning system that reduces refrigerant leakage further than would be obtained from a “low-leak air conditioning system.” A maximum credit of 6.0 CO<sub>2</sub>-equivalent grams per mile may be earned for an air conditioning system that has 100 percent containment of refrigerant during normal operation. To obtain a credit greater than 3.0 CO<sub>2</sub>-equivalent grams per mile, the manufacturer must provide an engineering evaluation that supports the credit requested.

c. *A/C Indirect Emissions Allowance.* A manufacturer may use the following A/C Indirect Emissions Allowances, upon approval of the Executive Officer, if the manufacturer demonstrates using data or an engineering evaluation that the air conditioning system meets the corresponding requirements. A manufacturer may use the following A/C Indirect Emissions Allowances for other technologies, upon approval of the Executive Officer, if that manufacturer demonstrates that the air conditioning system achieves equal or greater CO<sub>2</sub>-equivalent grams per mile emissions reductions.

i. An allowance of 5.0 CO<sub>2</sub>-equivalent grams per mile per 100ccs of compressor displacement shall be given for an air conditioning system optimized for energy efficiency by utilizing state-of-the-art high efficiency components, managed outside and recirculated air balance to achieve comfort, demisting, and safety requirements, based on such factors as temperature, humidity, pressure, and level of fresh air in the passenger compartment, and an externally controlled compressor (such as an externally controlled variable displacement or variable speed compressor or an externally controlled fully cycling fixed displacement compressor) that adjusts evaporative temperature to minimize the necessity of reheating cold air to satisfy occupant comfort.

ii. An allowance of 0.2 CO<sub>2</sub>-equivalent grams per mile per 100ccs of compressor displacement shall be given for an air conditioning system equipped with a refrigerant having a GWP of 150 or less.

d. *Upstream Greenhouse Gas Emission Adjustment Factors for Alternative Fuel Vehicles.* A grams per mile average CO<sub>2</sub>-equivalent value for each GHG vehicle test group certifying on a fuel other than conventional gasoline, including vehicles certified in accordance with section 1960.5 and vehicles certified in accordance with section 1961(a)(14), shall be calculated as follows:

$$(\text{CO}_2 + \text{A/C Indirect Emissions}) \times (\text{Fuel Adjustment Factor}) + 296 \times \text{N}_2\text{O} + 23 \times \text{CH}_4 + \text{A/C Direct Emissions}$$

where:

A/C Indirect Emissions = 9.0 CO<sub>2</sub>-equivalent grams per mile per 100ccs of compressor displacement – A/C Indirect Emissions Allowance as calculated per section 1961.1(a)(1)(B)1.c.

A/C Direct Emissions = 9 CO<sub>2</sub>-equivalent grams per mile – A/C Direct Emissions Allowance as calculated per section 1961.1(a)(1)(B)1.b.

The Fuel Adjustment Factors are:

<b>Fuel</b>	<b>Fuel Adjustment Factor</b>
Natural Gas	1.03
LPG	0.89
E85	0.74

e. *Calculation of CO<sub>2</sub>-Equivalent Emissions for Hydrogen Internal Combustion Engine Vehicles and for Electric and Hydrogen ZEVs.* The grams per mile average CO<sub>2</sub>-equivalent value for each GHG vehicle test group certifying to ZEV standards, including vehicles certified in accordance with section 1960.5 and vehicles certified in accordance with section 1961(a)(14), shall be:

A/C Direct Emissions + 130 CO<sub>2</sub>-equivalent grams per mile for electric ZEVs, A/C Direct Emissions + 290 CO<sub>2</sub>-equivalent grams per mile for hydrogen internal combustion engine vehicles, and  
A/C Direct Emissions + 210 CO<sub>2</sub>-equivalent grams per mile for hydrogen ZEVs.

where: A/C Direct Emissions = 9 CO<sub>2</sub>-equivalent grams per mile – A/C Direct Emissions Allowance as calculated per section 1961.1(a)(1)(B)1.b.

2. *Calculation of Greenhouse Gas Values for Bi-Fuel Vehicles, Fuel-Flexible Vehicles, Dual-Fuel Vehicles, and Grid-connected Hybrid Electric Vehicles.* For bi-fuel, fuel-flexible, dual-fuel, and grid-connected hybrid electric vehicles, a manufacturer shall calculate a grams per mile average CO<sub>2</sub>-equivalent value for each GHG vehicle test group, in accordance with section 1961.1(a)(1)(B)1., based on exhaust mass emission tests when the vehicle is operating on gasoline.

a. *Optional Alternative Compliance Mechanisms.* Beginning with the 2010 model year, a manufacturer that demonstrates that a bi-fuel, fuel-flexible, dual-fuel, or grid-connected hybrid electric GHG vehicle test group will be operated in use in California on the alternative fuel may be eligible to certify those vehicles using this optional alternative compliance procedure, upon approval of the Executive Officer.

i. To demonstrate that bi-fuel, fuel-flexible, dual-fuel, or grid-connected hybrid electric vehicles within a GHG vehicle test group will be operated in use in California on the alternative fuel, the manufacturer shall provide data that shows the previous model year sales of such vehicles to fleets that provide the alternative fuel on-site or, for grid-connected hybrid electric vehicles, to end users with the capability to recharge the vehicle on-site. This data shall include both the total number of vehicles sales that were made to such fleets or end users with the capability to recharge the vehicle on-site and as the percentage of total GHG vehicle test group sales. The manufacturer shall also provide data demonstrating the percentage of total vehicle miles traveled by the bi-fuel, fuel-flexible, dual-fuel, or grid-connected hybrid electric vehicles sold to each fleet or to end users with the capability to recharge the vehicle on-site in the previous model year using the alternative fuel and using gasoline.

ii. For each GHG vehicle test group that receives approval by the Executive Officer under section 1961(a)(1)(B)2.a.i., a grams per mile CO<sub>2</sub>-equivalent value shall be calculated as follows:

$$\text{CO}_2\text{-equivalent value} = [A \times B \times C] + [(1 - A \times B) \times D]$$

where: A = the percentage of previous model year vehicles within a GHG vehicle test group that were operated in use in California on the alternative fuel during the previous calendar year;

B = the percentage of miles traveled by “A” during the previous calendar year ;

C = the CO<sub>2</sub>-equivalent value for the GHG vehicle test group, as calculated in section 1961.1(a)(1)(B)1, when tested using the alternative fuel; and

D = the CO<sub>2</sub>-equivalent value for the GHG vehicle test group, as calculated in section 1961.1(a)(1)(B)1, when tested using gasoline.

3. *Calculation of Fleet Average Greenhouse Gas Values.*

a. Each manufacturer’s PC and LDT1 fleet average Greenhouse Gas value for the total number of PCs and LDT1s produced and delivered for sale in California, including vehicles certified in accordance with section 1960.5 and vehicles certified in accordance with section 1961(a)(14), shall be calculated as follows:

$$[0.55 \times (\Sigma \text{ City Test Group Greenhouse Gas Values}) + 0.45 \times (\Sigma \text{ Highway Test Group Greenhouse Gas Values})] \div \text{Total Number of PCs and LDT1s Produced, Including ZEVs and HEVs}$$

where: City Test Group Greenhouse Gas Value = [(Total Number of Vehicles in a Test Group -  $\Sigma$  Number of Vehicles in Optional GHG Test Vehicle Configurations) x “worst-case” calculated CO<sub>2</sub>-equivalent value +  $\Sigma$  (Number of vehicles in Optional GHG Test Vehicle Configurations x applicable calculated CO<sub>2</sub>-equivalent value)] measured using the FTP test cycle; and

Highway Test Group Greenhouse Gas Value = [(Total Number of Vehicles in a Test Group -  $\Sigma$  Number of Vehicles in Optional GHG Test Vehicle Configurations) x “worst-case” calculated CO<sub>2</sub>-equivalent value +  $\Sigma$  (Number of vehicles in Optional GHG Test Vehicle Configurations x applicable calculated CO<sub>2</sub>-equivalent value)] measured using the Highway Test Procedures.

b. Each manufacturer’s LDT2 and MDPV fleet average Greenhouse Gas value for the total number of LDT2s and MDPVs produced and delivered for sale in California, including vehicles certified in accordance with section 1960.5 and vehicles certified in accordance with section 1961(a)(14), shall be calculated as follows:

$[0.55 \times (\Sigma \text{ City Test Group Greenhouse Gas Values}) + 0.45 \times (\Sigma \text{ Highway Test Group Greenhouse Gas Values})] \div \text{Total Number of LDT2s and MDPVs Produced, Including ZEVs and HEVs}$

where: City Test Group Greenhouse Gas Value = [(Total Number of Vehicles in a Test Group -  $\Sigma$  Number of Vehicles in Optional GHG Test Vehicle Configurations) x “worst-case” calculated CO<sub>2</sub>-equivalent value +  $\Sigma$  (Number of vehicles in Optional GHG Test Vehicle Configurations x applicable calculated CO<sub>2</sub>-equivalent value)] measured using the FTP test cycle; and

Highway Test Group Greenhouse Gas Value = [(Total Number of Vehicles in a Test Group -  $\Sigma$  Number of Vehicles in Optional GHG Test Vehicle Configurations) x “worst-case” calculated CO<sub>2</sub>-equivalent value +  $\Sigma$  (Number of vehicles in Optional GHG Test Vehicle Configurations x applicable calculated CO<sub>2</sub>-equivalent value)] measured using the Highway Test Procedures.

(C) *Requirements for Intermediate Volume Manufacturers.*

1. Before the 2016 model year, compliance with this section 1961.1 shall be waived for intermediate volume manufacturers.

2. For each intermediate volume manufacturer, the manufacturer’s baseline fleet average greenhouse gas value for PCs and LDT1s and baseline fleet average greenhouse gas value for LDT2s and MDPVs shall be calculated, in accordance with section 1961.1(a)(1)(B) using its 2002 model year fleet.

3. In 2016 and subsequent model years, an intermediate volume manufacturer shall either:

- a. not exceed a fleet average greenhouse gas emissions value of 233 g/mi for PCs and LDT1s and 361 g/mi for LDT2s and MDPVs, or
- b. not exceed a fleet average greenhouse gas value of 0.75 times the baseline fleet average greenhouse gas value for PCs and LDT1s and 0.82 times the baseline fleet average greenhouse gas value for LDT2s and MDPVs, as calculated in section 1961.1(a)(1)(C)2.

4. If a manufacturer's average annual California sales exceed 60,000 units of new PCs, LDTs, MDVs and heavy-duty engines based on the average number of vehicles sold for the three previous consecutive model years, the manufacturer shall no longer be treated as a intermediate volume manufacturer and shall comply with the fleet average requirements applicable to large volume manufacturers as specified in section 1961.1(a)(1) beginning with the fourth model year after the last of the three consecutive model years.

5. If a manufacturer’s average annual California sales fall below 60,001 units of new PCs, LDTs, MDVs and heavy-duty engines based on the average number of vehicles sold for the three previous consecutive model years, the manufacturer shall be treated as a intermediate volume manufacturer and shall be subject to the requirements for intermediate volume manufacturers beginning with the next model year.

(D) *Requirements for Small Volume Manufacturers and Independent Low Volume Manufacturers.*

1. Before the 2016 model year, compliance with this section 1961.1 shall be waived for small volume manufacturers and independent low volume manufacturers.
2. At the beginning of the 2013 model year, each small volume manufacturer and independent low volume manufacturer shall identify all 2012 model year vehicle models, certified by a large volume manufacturer that are comparable to that small volume manufacturer or independent low volume manufacturer's 2016 model year vehicle models, based on horsepower and horsepower to weight ratio. The small volume manufacturer and independent low volume manufacturer shall demonstrate to the Executive Officer the appropriateness of each comparable vehicle model selected. Upon approval of the Executive Officer, s/he shall provide to the small volume manufacturer and to the independent low volume manufacturer the CO<sub>2</sub>-equivalent value for each 2012 model year vehicle model that is approved. The small volume manufacturer and independent low volume manufacturer shall calculate an average greenhouse gas emissions value for each its greenhouse gas vehicle test groups based on the CO<sub>2</sub>-equivalent values provided by the Executive Officer.
3. In the 2016 and subsequent model years, a small volume manufacturer and an independent low volume manufacturer shall either:
  - a. not exceed the fleet average greenhouse gas emissions value calculated for each GHG vehicle test group for which a comparable vehicle is sold by a large volume manufacturer, in accordance with section 1961.1(a)(1)(D)2; or
  - b. not exceed a fleet average greenhouse gas emissions value of 233 g/mi for PCs and LDT1s and 361 g/mi for LDT2s and MDPVs; or
  - c. upon approval of the Executive Officer, if a small volume manufacturer demonstrates a vehicle model uses an engine, transmission, and emission control system that is identical to a configuration certified for sale in California by a large volume manufacturer, those small volume manufacturer vehicle models are exempt from meeting the requirements in paragraphs 3.a. and b. of this section.
4. If a manufacturer's average annual California sales exceed 4,500 units of new PCs, LDTs, MDVs and heavy-duty engines based on the average number of vehicles sold for the three previous consecutive model years, the manufacturer shall no longer be treated as a small volume manufacturer and shall comply with the fleet average requirements applicable to larger volume manufacturers as specified in section 1961.1(a)(1) beginning with the fourth model year after the last of the three consecutive model years.
5. If a manufacturer's average annual California sales exceed 10,000 units of new PCs, LDTs, MDVs and heavy-duty engines based on the average number of vehicles sold for the three previous consecutive model years, the manufacturer shall no longer be treated as an independent low volume manufacturer and shall comply with the fleet average requirements applicable to larger volume

manufacturers as specified in section 1961.1(a)(1) beginning with the fourth model year after the last of the three consecutive model years.

6. If a manufacturer's average annual California sales fall below 4,501 units of new PCs, LDTs, MDVs and heavy-duty engines based on the average number of vehicles sold for the three previous consecutive model years, the manufacturer shall be treated as a small volume manufacturer and shall be subject to the requirements for small volume manufacturers beginning with the next model year.

(b) *Calculation of Greenhouse Gas Credits/Debits.*

(1) *Calculation of Greenhouse Gas Credits for Passenger Cars, Light-Duty Trucks, and Medium-Duty Passenger Vehicles.*

(A) In the 2000 through 2008 model years, a manufacturer that achieves fleet average Greenhouse Gas values lower than the fleet average Greenhouse Gas requirement applicable to the 2012 model year shall receive credits for each model year in units of g/mi determined as:

$$\begin{aligned} &[(\text{Fleet Average Greenhouse Gas Requirement for the 2012 model year}) \\ &\quad - (\text{Manufacturer's Fleet Average Greenhouse Gas Value})] \\ &\quad \times (\text{Total No. of Vehicles Produced and Delivered for Sale} \\ &\quad \quad \text{in California, Including ZEVs and HEVs}). \end{aligned}$$

(B) In 2009 and subsequent model years, a manufacturer that achieves fleet average Greenhouse Gas values lower than the fleet average Greenhouse Gas requirement for the corresponding model year shall receive credits in units of g/mi Greenhouse Gas determined as:

$$\begin{aligned} &[(\text{Fleet Average Greenhouse Gas Requirement}) - (\text{Manufacturer's Fleet Average} \\ &\quad \text{Greenhouse Gas Value})] \times (\text{Total No. of Vehicles Produced and Delivered for Sale} \\ &\quad \quad \text{in California, Including ZEVs and HEVs}). \end{aligned}$$

(2) A manufacturer with 2009 and subsequent model year fleet average Greenhouse Gas values greater than the fleet average requirement for the corresponding model year shall receive debits in units of g/mi Greenhouse Gas equal to the amount of negative credits determined by the aforementioned equation. For the 2009 and subsequent model years, the total g/mi Greenhouse Gas credits or debits earned for PCs and LDT1s and for LDT2s and MDPVs shall be summed together. The resulting amount shall constitute the g/mi Greenhouse Gas credits or debits accrued by the manufacturer for the model year.

(3) *Procedure for Offsetting Greenhouse Gas Debits.*

(A) A manufacturer shall equalize Greenhouse Gas emission debits by earning g/mi Greenhouse Gas emission credits in an amount equal to the g/mi Greenhouse Gas debits, or by submitting a commensurate amount of g/mi Greenhouse Gas credits to the Executive Officer that were

earned previously or acquired from another manufacturer. For 2012 and for 2016 and subsequent model years, manufacturers shall equalize emission debits by the end of the following model year. For the 2009, 2010 and 2011 model years, a manufacturer shall equalize Greenhouse Gas debits for PCs, LDTs, and MDPVs within four model years and prior to the end of the 2013 model year. For the 2013, 2014 and 2015 model years, a manufacturer shall equalize Greenhouse Gas debits for PCs, LDTs, and MDPVs within four model years and prior to the end of the 2017 model year. If emission debits are not equalized within the specified time period, the manufacturer shall be subject to the Health and Safety Code section 43211 civil penalty applicable to a manufacturer which sells a new motor vehicle that does not meet the applicable emission standards adopted by the state board. The cause of action shall be deemed to accrue when the emission debits are not equalized by the end of the specified time period. For the purposes of Health and Safety Code section 43211, the number of passenger cars and LDT1s not meeting the state board's emission standards shall be determined by dividing the total amount of g/mi Greenhouse Gas emission debits for the model year by the g/mi Greenhouse Gas fleet average requirement for PCs and LDTs 0-3750 lbs. LVW applicable for the model year in which the debits were first incurred. For the purposes of Health and Safety Code section 43211, the number of LDT2s and MDPVs not meeting the state board's emission standards shall be determined by dividing the total amount of g/mi Greenhouse Gas emission debits for the model year by the g/mi Greenhouse Gas fleet average requirement for LDTs 3751 lbs. LVW – 8500 lbs. GVW and MDPVs applicable for the model year in which the debits were first incurred.

(B) Greenhouse Gas emission credits earned in the 2000 through 2011 model years shall be treated as if they were earned in the 2011 model year and shall retain full value through the 2012 model year. Greenhouse Gas emission credits earned in the 2012 through 2015 model years shall be treated as if they were earned in the 2015 model year and shall retain full value through the 2016 model year. Greenhouse Gas emission credits earned in the 2016 and subsequent model years shall retain full value through the subsequent model year. The value of any credits earned in the 2000 through 2011 model years that are not used to equalize debits accrued in the 2009 through 2012 model years shall be discounted by 50% at the beginning of the 2014 model year, shall be discounted to 25% of its original value if not used by the beginning of the 2015 model year, and will have no value if not used by the beginning of the 2016 model year. The value of any credits earned in the 2012 through 2015 model years that are not used to equalize debits accrued in the 2012 through 2016 model years shall be discounted by 50% at the beginning of the 2018 model year, shall be discounted to 25% of its original value if not used by the beginning of the 2019 model year, and will have no value if not used by the beginning of the 2020 model year. Any credits earned in the 2016 and subsequent model years that are not used to equalize the previous model year's debit shall be discounted by 50% at the beginning of the second model year after being earned, shall be discounted to 25% of its original value if not used by the beginning of the third model year after being earned, and will have no value if not used by the beginning of the fourth model year after being earned.

(c) *Test Procedures.* The certification requirements and test procedures for determining compliance with the emission standards in this section are set forth in the "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles," incorporated by reference in section 1961(d). In the case of hybrid



electric vehicles and on-board fuel-fired heaters, the certification requirements and test procedures for determining compliance with the emission standards in this section are set forth in the “California Exhaust Emission Standards and Test Procedures for 2005 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes,” incorporated by reference in section 1962.

(d) *Abbreviations.* The following abbreviations are used in this section 1961.1:

“ccs” mean cubic centimeters.  
“CH<sub>4</sub>” means methane.  
“CO<sub>2</sub>” means carbon dioxide.  
“E85” means a blend of 85 percent ethanol and 15 percent gasoline.  
“FTP” means Federal Test Procedure.  
“GHG” means greenhouse gas.  
“g/mi” means grams per mile.  
“GVW” means gross vehicle weight.  
“GVWR” means gross vehicle weight rating.  
“GWP” means the global warming potential.  
“HEV” means hybrid-electric vehicle.  
“LDT” means light-duty truck.  
“LDT1” means a light-duty truck with a loaded vehicle weight of 0-3750 pounds.  
“LDT2” means a “LEV II” light-duty truck with a loaded vehicle weight of 3751 pounds to a gross vehicle weight of 8500 pounds.  
“LEV” means low-emission vehicle.  
“LPG” means liquefied petroleum gas.  
“LVW” means loaded vehicle weight.  
“MDPV” means medium-duty passenger vehicle.  
“MDV” means medium-duty vehicle.  
“mg/mi” means milligrams per mile.  
“N<sub>2</sub>O” means nitrous oxide.  
“PC” means passenger car.  
“SULEV” means super-ultra-low-emission vehicle.  
“ULEV” means ultra-low-emission vehicle.  
“ZEV” means zero-emission vehicle.

(e) *Definitions Specific to this Section.* The following definitions apply to this section 1961.1:

(1) “A/C Direct Emissions” means any refrigerant released from a motor vehicle's air conditioning system.

(2) “A/C Indirect Emissions” means any increase in motor vehicle exhaust CO<sub>2</sub> emissions that can be attributed to the operation of the air conditioning system.

(3) “GHG Vehicle Test Group” means vehicles that have an identical test group, vehicle make and model, transmission class and driveline, aspiration method (e.g., naturally aspirated, turbocharged), camshaft configuration, valvetrain configuration, and inertia weight class.

(4) “Greenhouse Gas” means the following gases: carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.

(5) “Grid-Connected Hybrid Electric Vehicle” means a hybrid electric vehicle that has the capacity for the battery to be recharged from an off-board source of electricity and has some all-electric range.

(6) “GWP” means the 100-year global warming potential specified in IPCC (Intergovernmental Panel on Climate Change) 2000: *Emissions Scenarios*. N. Nakicenovic et. al. editors, Special Report of Working Group III of the IPCC, Cambridge University Press, Cambridge UK, ISBN 0-521-80493-0.

(7) “Normal Operation” of an air conditioning system means typical everyday use of the A/C system to cool a vehicle. “Normal Operation” does not include car accidents, dismantling of an air conditioning system, or any other non-typical events.

(8) “Optional GHG Test Vehicle Configuration” means any GHG vehicle configuration that is selected for testing by the manufacturer as allowed by section G.2.3 of the “California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles,” other than the worst-case configuration.

(9) “Variable Displacement Compressor” means a compressor in which the mass flow rate of refrigerant is adjusted independently of compressor speed by the control system in response to cooling load demand.

(10) “Variable Speed Compressor” means a compressor in which the mass flow rate of refrigerant can be adjusted by control of the compressor input shaft speed, independent of vehicle engine speed. For example, a variable speed compressor can have electric drive, hydraulic drive, or mechanical drive through a variable speed transmission.

(11) “Worst-Case” means the vehicle configuration within each test group that is expected to have the highest CO<sub>2</sub>-equivalent value, as calculated in section 1961.1(a)(1)(B)1.

(f) *Severability*. Each provision of this section is severable, and in the event that any provision of this section is held to be invalid, the remainder of this article remains in full force and effect.

Note: Authority cited: Sections 39500, 39600, 39601, 43013, 43018, 43018.5, 43101, 43104 and 43105, Health and Safety Code. Reference: Sections 39002, 39003, 39667, 43000, 43009.5, 43013, 43018, 43018.5, 43100, 43101, 43101.5, 43102, 43104, 43105, 43106, 43204, 43205, and 43211, Health and Safety Code.