
Transportation Committee

HB 1204

Brief Description: Concerning the electrification of transportation.

Sponsors: Representatives Macri, Chopp, Ramos, Kloba, Simmons, Senn, Berry, Fitzgibbon, Ramel, Duerr, Ortiz-Self, Goodman, Slatter, Bateman, Pollet and Harris-Talley.

Brief Summary of Bill

- Requires the Washington State Transportation Commission (Commission) to adopt regulations on or before January 1, 2025, mandating that all model year 2030 or later passenger and light-duty vehicles registered in Washington be electric vehicles.
- Prohibits the Department of Licensing from registering vehicles that are not in compliance with these regulations for model year 2030 or later passenger and light-duty vehicles.
- Requires the Commission to develop a scoping plan for these regulations by September 1, 2023, and submit it to the transportation committees of the Legislature.

Hearing Date: 2/1/21

Staff: Jennifer Harris (786-7143).

Background:

Federal Law.

Under the federal Clean Air Act (CAA), most states are restricted from enacting their own emissions standards for new motor vehicles. California is the only state allowed to adopt state standards for vehicle emissions under the CAA. These standards must be at least as protective of

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public health as federal standards and must be approved by the U.S. Environmental Protection Agency (EPA). States have the option to implement either federal motor vehicle emissions standards or California motor vehicle emissions standards for specific vehicle model years. The CAA requires a minimum phase-in period of three model years for adoption of the California motor vehicle emissions standards.

California Vehicle Emissions Standards.

The motor vehicle emissions standards established by California contain the following two program components: low-emission vehicle (LEV) and zero emission vehicle (ZEV) requirements. Low-emission vehicle requirements establish that all vehicles sold in states subject to California's standards must exceed emissions performance standards in certain criteria air pollutants and for greenhouse gases. Specific performance requirements vary depending on the model year, vehicle weight, and vehicle type.

Zero emission vehicles, including battery-electric vehicles and hydrogen fuel cell engine vehicles, are those that produce zero-exhaust emissions of air pollutants and greenhouse gases. Under the current ZEV program requirements that California adopted and implemented until 2019 (when they were suspended due to the revocation of California's waiver by the EPA), a certain percentage of vehicles delivered for sale in the state by manufacturers must be ZEV. If this specified percentage is not achieved, manufacturers must obtain credits equal to such percentage. Credits may be earned by either delivering vehicles for sale in the state, purchasing ZEV credits from another manufacturer, or earning credits from ZEV deliveries in other states with ZEV mandates. Manufacturers may receive partial credit towards the ZEV requirements by producing transitional zero emission vehicles, which includes plug-in hybrids.

Large-volume and intermediate-volume manufacturers must meet requirements for each for production and delivery of ZEVs for sale. Small-volume manufacturers are not subject to the regulation. Zero emission vehicle credits earned by a manufacturer may be banked and used, with some limitations, to fulfill ZEV obligations in other states that have adopted California's ZEV program. Manufacturers who fail to obtain sufficient credits for a particular model year must make up a deficit by the next model year or may request up to three consecutive model years to make up a deficit. If a manufacturer still fails to comply, it is subject to financial penalties.

In September 2020, an Executive Order was issued in California directing the State Air Resources Board to develop and propose passenger vehicle and truck regulations (including drayage trucks) that require the number of ZEVs sold in California to increase to achieve a target of all ZEV in-state sales by 2035. Medium- and heavy-duty vehicle regulations were directed to target all ZEV in-state sales by 2045. The Executive Order directs that these regulations be developed in a manner consistent with what is technologically feasible and cost effective.

Litigation challenging the suspension of California's CAA emissions standards waiver is currently underway and before the United States Court of Appeals for the District of Columbia

(D.C.) Circuit.

Washington Vehicle Emissions Standards.

California Motor Vehicle Emission standards apply in Washington. The Department of Ecology is required to adopt rules to implement these motor vehicle standards, including the ZEV program, and to amend these rules to maintain consistency with California's emission standards and the CAA.

Washington State Transportation Commission.

The Washington State Transportation Commission (Commission) is made up of seven commissioners appointed to six-year terms by the Governor and confirmed by the Senate. The Governor and the Secretary of Transportation (or their designees) participate in the Commission as nonvoting members.

Under state law, the Commission is tasked with:

- preparing a statewide transportation plan and making recommendations to the Legislature, developed with input from the public and stakeholders;
- setting toll rates and ferry fares; conducting surveys of ferry riders; and reviewing ferry operational strategies and making recommendations on them to the Legislature;
- conducting surveys of ferry riders using a survey panel;
- facilitating a road usage charge steering committee's work; and
- convening the autonomous vehicle work group.

Summary of Bill:

2030 Model Year and Later Rules for Motor Vehicles.

The Commission is required to adopt rules, on or before January 1, 2025, in coordination with the appropriate state agencies, that require all model year 2030 or later passenger and light-duty vehicles sold or registered in Washington to be electric vehicles (EVs), except for emergency services vehicles. Electric vehicles are defined as "vehicles that use energy stored in rechargeable battery packs or in hydrogen that rely solely on electric motors for propulsion."

The Department of Licensing (DOL) is prohibited from registering vehicles that are out of compliance with the rules adopted by the Commission, unless the vehicle was purchased by a resident of another state before that individual became a resident of Washington.

The rules adopted by the Commission must be consistent with the scoping plan described below and the Commission must:

- design the regulations to maximize equity and total benefits to the state, while minimizing costs and risks;
- minimize the administrative burden of implementing and complying with the regulations;

- rely on the best available economic and scientific information and an assessment of existing and projected technological capabilities;
- consult with the Utilities and Transportation Commission, investor-owned utilities, public utility districts, and municipal utilities where the regulations would impact electricity providers; and
- revise rules adopted and adopt additional rules to accelerate or otherwise facilitate the goals stated for these regulations.

Scoping Plan for the Transition Period (2022-2040).

The Commission must develop a scoping plan by September 1, 2023, for the requirement that all model year 2030 or later passenger and light-duty vehicles sold or registered in Washington be EVs, to be updated in 2025 and 2028. The scoping plan must include analysis related to:

1. the predicted number of EVs and internal combustion engine vehicles registered in the state;
2. the EV charging needs and estimates of annual investments required;
3. electrical utility infrastructure updates and build-out needed and annual investments required;
4. grid optimization through control strategies for smart charging and discharging during the transition period;
5. yearly job gains and losses as a result of the 2030 requirement;
6. impacts to state transportation revenues and recommendations for alternatives to the gas tax;
7. impacts on equity, especially in disadvantaged and low-income communities, communities of color, and rural communities, and strategies for maximizing equity in implementation; and
8. a transition strategy for those negatively impacted by the requirement.

The Commission must conduct a series of public workshops to provide interested parties an opportunity to comment, especially and including disadvantaged communities, low-income communities, and communities of color.

Copies of the initial and updated scoping plans must be submitted to the standing committees of the Legislature with jurisdiction over transportation issues.

Appropriation: None.

Fiscal Note: Requested on January 19, 2021.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.