

Oregon's Heavy-Duty Engine and Vehicle Omnibus Rule

In November 2021, Oregon's Environmental Quality Commission adopted the <u>Clean Truck Rules</u>, which includes the state's <u>Heavy-Duty Low NOx Omnibus Rule</u> (also known as the Low NOx Omnibus). This specific rule adopts by reference California's <u>Heavy-Duty Engine and Vehicle Omnibus Regulation</u>. Oregon's Low NOx Omnibus Rule reduces the amount of oxides of nitrogen (NOx) and fine particulate matter (PM_{2.5}) that can be emitted by new on-road conventionally fueled medium- and heavy-duty vehicles and engines.

At the same meeting, the commission also adopted Oregon's <u>Advanced Clean Trucks Rule</u>. This was in alignment with California's <u>Advanced Clean Trucks</u> regulation, which is described in a separate FAQ.

What does the Low NOx Omnibus rule require?

The Low NOx Omnibus Rule lowers emission standards for on-road conventionally fueled new heavy-duty vehicles and engines, specifically for NOx and PM_{2.5}. The first phase of this rule begins with engine model year 2026. At that time, DEQ will require engines in these vehicles to emit 75% fewer NOx emissions and 50% fewer PM_{2.5} emissions compared with the 2023 engines. The second phase starts with heavy-duty engine model year 2027, when DEQ will require engines in these vehicles to emit 90% fewer NOx emissions compared with the 2023 engines.

In the future, DEQ expects that California will align with the new federal 2027 standard as described in the response to the below "Clean Truck Partnership" agreement question.

To whom does the rule apply?

Oregon's Low NOx Omnibus Rule applies to any manufacturers offering new conventionally fueled on-road medium- and heavy-duty vehicles and engines for sale in Oregon.

Has DEQ made any changes to the rule?

On Nov. 21, 2024, the Environmental Quality Commission <u>adopted a temporary rule</u> to pause implementation of the Low NOx Omnibus Rule until 2026. This pause was adopted to avoid severe restrictions in the supply of new vehicles, based on manufacturer business decisions.

The temporary rule goes into effect from Jan. 1, 2025, to June 29, 2025. DEQ plans to propose permanent rules prior to the expiration of the adopted temporary rule. The process will include a rulemaking advisory committee, stakeholder engagement and a public comment period.



In addition, DEQ is closely tracking any future California amendments to its Low NOx Omnibus regulation and will propose additional amendments as needed to ensure Oregon remains aligned with California's requirements.

What about the agreement between California and the engine manufacturers?

In July 2023, California's Air Resources Board and the heavy-duty vehicle manufacturers signed an agreement called the "Clean Truck Partnership." Its terms include a commitment from California to:

- Provide additional options for manufacturers of conventionally fueled engines (diesel, gasoline, etc.) for
 the 2024-2026 engine model years. Manufacturers must still develop and certify new low NOx
 compliant engines that meet the 2024 standards. However, engines meeting the current 2023 standards
 (aka, legacy engines) could continue to be sold through 2026 up to specific new caps. Engine
 manufacturers are required to offset any additional emissions from the sale of the legacy engines. These
 additional flexibilities were adopted by California at the end of 2023. Oregon subsequently adopted
 them in 2024.
- Align with the U.S. Environmental Protection Agency's new <u>2027 heavy-duty vehicle emission</u> standards.

The changes are designed to be both responsive to business decisions made since the adoption of the Low NOx Omnibus Rule and to ensure engines are meeting Low NOx emission requirements.

How does the "Clean Truck Partnership" agreement affect Oregon?

Oregon is closely tracking California's actions to align with EPA's new 2027 heavy-duty vehicle emission standards. DEQ will consider any future changes made to California's Low NOx Omnibus regulation and propose updated amendments in Oregon as necessary for the two states to remain aligned and ensure a smooth transition for manufacturers.

What are the rules that apply to fleets that plan to purchase new medium- and heavy-duty vehicles and engines in Oregon?

Vehicle owners or fleets do not have any specific purchasing requirements. The adopted rules only apply to businesses or manufacturers that sell new medium- and heavy-duty vehicles and engines in Oregon.

NOTE: California adopted the <u>Advanced Clean Fleets Regulation</u>, which requires government and high priority fleets (organizations with \$50 million or more in annual sales or at least 50 vehicles) to phase in zero-emission vehicles, or ZEVs, as a percentage of their total fleet. Additionally, it requires that by model year 2036, all new medium- and heavy-duty trucks sold must be ZEV. **Oregon has not adopted this rule and has no immediate plans to do so.**

Are there any registration restrictions for new medium- and heavy-duty trucks related to the new rule?

The new vehicle and engine standards do not include vehicle registration requirements or restrictions. DEQ is tracking compliance through manufacturer reporting. Manufacturers of new medium- and heavy-duty vehicles and engines must report their Oregon sales volume and credit/deficit accumulation to DEQ no later than 180 days after the end of the model year under the Low NOx Omnibus rule.



What is DEQ doing to help support the transition to cleaner medium- and heavyduty vehicles and engines?

There are several grant programs and opportunities available to help fleets make the transition to cleaner vehicles or engines. They include funding to support reducing diesel emissions through replacing older, more polluting diesel vehicles with similar cleaner burning or all-electric equipment. DEQ offers the <u>Diesel Emission Mitigation Grants</u>, <u>Diesel Emission Reduction Act Grants</u> and <u>Congestion Mitigation Air Quality Grants</u>. The one-time <u>Zero-Emission Fueling Infrastructure Grants</u> awarded \$15 million to support entities with installing and siting medium- and heavy-duty charging infrastructure. DEQ is also in the process of establishing a <u>medium- and heavy-duty, zero-emission vehicle rebate program</u> for the purchase of new zero-emission trucks. Recently, DEQ was awarded \$23 million through an <u>EPA Climate Pollution Reduction Act Implementation Grant</u> to help fund grants and rebates for medium- and heavy-duty vehicles and charging infrastructure. DEQ was also recently awarded \$6.5 million through an <u>EPA Clean Heavy-Duty Vehicles Grant</u> to help replace 26 older diesel school buses with new zero-emission school buses.

DEQ's <u>Clean Fuels Program</u> offers incentives in the form of credits to providers of clean transportation fuels, including electricity. Owners of chargers that service on-road (light-, medium- and heavy-duty) and off-road vehicles can earn CFP credits when they report how much electricity is dispensed to EVs monthly. Those credits can be sold to other program participants and the revenue can be used at the discretion of the charger owner.

Contacts

Eric Feeley, eric.feeley@deq.oregon.gov, 503-915-2798

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities. Visit DEQ's <u>Civil Rights and Environmental Justice page.</u>

