#### ACT and HDO Frequently Asked Questions (FAQs)

On April 14, 2025, MassDEP issued <u>Enforcement Discretion for Advanced Clean Trucks</u> <u>Requirements</u>. MassDEP will exercise enforcement discretion by not taking enforcement action against manufacturers that do not meet their Model Year 2025 (MY25) or Model Year 2026 (MY26) Advanced Clean Trucks (ACT) zero emission vehicle (ZEV) sales compliance obligations. To qualify for this exercise of enforcement discretion, manufacturers must supply internal combustion engine (ICE) vehicles to distributors seeking them, without restriction — i.e., manufacturers may not engage in withholding or rationing practices, such as not accepting orders for new diesel vehicles without orders for electric vehicles.

MassDEP has received several questions from manufacturers and others on how the enforcement discretion will be implemented and has developed this FAQ to provide additional detail to answer these and other questions.

# Do early action credits and credits generated by ZEV sales in MY25 and MY26 need to be used to offset deficits in MY25 and MY26? Will deficits in MY25 and MY26 be carried forward into the next model year?

Since MassDEP will not enforce ZEV sales percentage in MY25 and MY26 manufacturers do not need to retire credits to offset deficits for these two model years. Manufacturers can retain early action credits and credits generated by ZEV sales in MY25 and MY26 and use them beginning in Model Year 2027 (MY27). Note that the enforcement discretion does not affect the expiration of credits (e.g., early action credits expire after Model Year 2030). Deficits in MY25 and MY26 will not be carried forward into the next model year. In other words, manufacturers will begin MY27 with zero deficits.

The April 2025 enforcement discretion is for "medium- and heavy-duty vehicles in Classes 2b-8" (the vocational class). Does the enforcement discretion also include Class 7-8 tractors?

Yes.

## Does the April 2025 enforcement discretion exempt vehicles from all ACT requirements listed in 310 CMR 7.40?

No, manufacturers are required to continue reporting and Manufacturer's Certificate of Origin (MCO) and engine labeling. In Massachusetts, due to the April 2025 enforcement discretion, vehicles can be registered in MY25 and MY26 no matter what intended state is listed on the MCO.

### Will early compliance credits earned prior to MY25 be reserved for use in 2027, or are they consumed first and then the April 2025 enforcement discretion is applied?

Early credits for model years 2021-2024 and credits earned in MY25 or MY26 can be retained for use after MY26, with expiration dates as specified in California's ACT regulations.

#### Will ZEV sales accrue credits for MY25 and MY26?

Yes.

There are MY25 ICE vehicles that have been produced with a Manufacturer's Certificate of Origin (MCO) containing language that those vehicles are not available for registration as a new vehicle in the state of Massachusetts. Will Massachusetts allow vehicles with such MCO language to be registered?

Yes.

Are we able to purchase and register MY26 vehicles now in Massachusetts? I know that dealers are able to sell them but just wanted clarification as a small company buying them.

Yes, MY25 and MY26 vehicles that are purchased can be registered in Massachusetts.

#### Does ACT apply to agricultural vehicles?

- Backhoes and field equipment (even if traveling on the road between fields) use offroad engines and are not subject to ACT.
- ACT has a Low Volume Exemption for manufacturers that do not exceed 500 annual sales of on-road vehicles. On-road farm equipment from low volume manufacturers is not subject to ACT.
- If a farm buys a (typically diesel) dump truck to haul manure or hay, the sales of such vehicles are included in that manufacturer's ACT compliance calculations. If a farm buys an electric dump truck, the Zero Emission Vehicle (ZEV) credits for such vehicles are included in that manufacturer's ACT compliance calculations.

#### Are vehicles with farm plates exempt from ACT?

No. See also previous question.

#### What qualifies as an emergency vehicle exemption?

- Emergency vehicles are generally those used by fire, police, corrections, and emergency medical technicians/paramedics. Please refer to California's Vehicle Code Sec. 27156.2 and .3 for detailed definitions of these vehicles.
- Emergency vehicles that are exempt from ACT and HDO requirements include:

(a) Any publicly owned and operated ambulance, lifeguard, or lifesaving equipment or any privately owned or operated ambulance licensed to operate in response to emergency calls.

(b) Any publicly owned vehicle operated by the following persons, agencies, or organizations:

(1) Any federal, state, or local agency, department, or district employing peace officers for use by those officers in the performance of their duties.

(2) Any forestry or fire department of any public agency.

(c) Any vehicle owned by the state, or any bridge and highway district, and equipped and used either for fighting fires, or towing or servicing other vehicles, caring for injured persons, or repairing damaged lighting or electrical equipment.

(d) Any state-owned vehicle used in responding to emergency fire, rescue, or communications calls and operated either by any public agency or fire department to which the vehicle has been assigned.

(e) Any vehicle owned or operated by any department or agency of the United States government when the vehicle is used in responding to emergency fire, ambulance, or lifesaving calls or is actively engaged in law enforcement work.

• Ambulance used by a private entity under contract with a public agency.

### Can medium- and heavy-duty vehicles purchased out-of-state be registered in Massachusetts?

The regulations apply whether a vehicle is purchased in- or out-of-state. Due to MassDEP's April 2025 ACT enforcement discretion, vehicles of MY25 may be registered in Massachusetts, no matter where they are purchased, whether the Manufacturer's

Certificate of Origin (MCO) indicates the vehicle is intended for Massachusetts or not. In addition, once a vehicle is not new (i.e., over 7,500 miles), it is not subject to ACT or HDO and can be registered or renewed at any time in the future.

### Will these regulations prevent registration and registration renewal of older model vehicles?

No. Engine Model Year 2024 and earlier vehicles are not subject to ACT in Massachusetts and engine Model Year 2025 and earlier vehicles are not subject to HDO in Massachusetts and their registration or renewal is not affected by these regulations.

### Do vehicles registered outside of Massachusetts have to comply with the regulations to do business in Massachusetts?

- State vehicle registration law (M.G.L. Chapter 90, Section 3) requires motor vehicles owned by a non-resident and used in direct connection with a place of business of such non-resident within Massachusetts to be registered in Massachusetts.
- If a vehicle is required to be registered in Massachusetts, it must comply with Massachusetts regulations including ACT and HDO. Vehicles engaged in interstate commerce which are registered and principally operated outside Massachusetts are not subject to Massachusetts' adoption of ACT and HDO.

#### What other states have adopted the Advanced Clean Trucks Rule?

California, Colorado, Maryland, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, and Washington.

#### What other states have adopted the Heavy-duty Omnibus Rule?

California, Colorado, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, and Washington.

#### Do plug-in hybrids count toward compliance?

Near Zero Electric Vehicles (NZEVs) meeting ACT's minimum electric range criteria are eligible, but none are on the market yet.

#### Are hazardous materials-placarded trucks exempt from HDO and ACT?

No.

#### What does Model Year refer to?

In Massachusetts ACT begins with Engine MY25 and HDO begins with Engine MY26. Engine Model Year 2025 will typically correspond to a Marketing Model Year of 2026 listed at the top of the Manufacturer's Certificate of Origin (MCO) and embedded in the vehicle identification number (VIN).

### Can a manufacturer get credit when a Massachusetts dealer sells a medium- or heavy-duty vehicle to an out-of-state purchaser?

ACT: Yes. As long as a manufacturer originally delivered a ZEV to a Massachusetts dealer for sale with the intent to sell it in Massachusetts, the manufacturer would still earn credit for that ZEV even if the dealer eventually sold it to someone out-of-state. If the ZEV was built on order for an out-of-state purchaser but delivered through a Massachusetts dealer, the ZEV would not qualify for Massachusetts credit.

#### Do vehicle dealers have any responsibility under HDO and ACT?

- HDO: Yes. For MY 26 and later model years, dealers must ensure that applicable vehicles or engines they sell in Massachusetts are California Air Resource Board (CARB)-certified.
- ACT: No. ACT regulates vehicle manufacturers. Dealers have no compliance obligations beyond what a manufacturer may require of them. Massachusetts does not directly require dealers to sell ZEVs.

### Do medium- and heavy-duty fleets or vehicle owners or operators have any responsibility under HDO and ACT?

- HDO: Yes. For MY 26 and later model years, they must ensure that any new vehicle purchases are CARB-certified. Once the regulation is in effect, a non-CARB-certified vehicle may be denied registration in Massachusetts.
- ACT: No. ACT regulates vehicle manufacturers. ACT does not impose any purchase requirements on persons buying new or used medium- and heavy-duty vehicles.

#### Will fleet managers be required to purchase a certain number of ZEVs?

No. ACT regulates vehicle manufacturers. ACT does not impose any purchase requirements on persons buying new or used medium- and heavy-duty vehicles.

#### Do these regulations apply to used vehicles?

No, they only apply to a new vehicle, which is a vehicle with under 7,500 miles on its odometer.

#### How is compliance determined and enforced?

- Initial enforcement occurs when a new vehicle is first registered and titled with the Massachusetts Registry of Motor Vehicles
  - $\circ~$  for vehicles of MY25 and later for ACT, and
  - o for vehicles of MY26 or later for HDO.

Because of MassDEP's April 2025 ACT enforcement discretion, new MY25 and MY26 vehicles may be registered even if the Manufacturer's Certificate of Origin (MCO) states the vehicle is not intended for Massachusetts.

• Manufacturers are required to submit annual reports to MassDEP demonstrating compliance; if a report does not demonstrate compliance, MassDEP enforces against the manufacturer except for ACT for MY25 and MY26 for which MassDEP is providing enforcement discretion.

### Is it legal for a manufacturer to label a Manufacturer's Certificate of Origin "not for sale in Massachusetts"?

Yes. The statement on the Manufacturer's Certificate of Origin provides information enabling Massachusetts to enforce the regulations.