**Comments on Planned Rules or Rule Amendments.** An agency must first solicit Comments on Planned Rules or Comments on Planned Rule Amendments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes* §§ 14.101). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

**Rules to be Adopted After a Hearing.** After receiving comments and deciding to hold a public hearing on the rule, an agency drafts its rule. It then publishes its rules with a notice of hearing. All persons wishing to make a statement must register at the hearing. Anyone who wishes to submit written comments may do so at the hearing, or within five working days of the close of the hearing. Administrative law judges may, during the hearing, extend the period for receiving comments up to 20 calendar days. For five business days after the submission period the agency and interested persons may respond to any new information submitted during the written submission period and the record then is closed. The administrative law judge prepares a report within 30 days, stating findings of fact, conclusions and recommendations. After receiving the report, the agency decides whether to adopt, withdraw or modify the proposed rule based on consideration of the comments made during the rule hearing procedure and the report of the administrative law judge. The agency must wait five days after receiving the report before taking any action.

**Rules to be Adopted Without a Hearing.** Pursuant to *Minnesota Statutes* § 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing. An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rule Amendments** from the public. The agency then publishes a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.1414.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

**KEY: Proposed Rules** - <u>Underlining</u> indicates additions to existing rule language. <del>Strikeouts</del> indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **Adopted Rules** - <u>Underlining</u> indicates additions to proposed rule language. <del>Strikeout</del> indicates deletions from proposed rule language.

### **Minnesota Pollution Control Agency (MPCA)** Proposed Permanent Rules Relating to Clean Cars; Notice of Intent to Adopt Rules with a Hearing

### Proposed Rules Adopting Vehicle Greenhouse Gas Emissions Standards—Clean Cars Minnesota, *Minnesota Rules*, chapter 7023; Revisor's ID Number 04626, OAH docket number 71-9003-36416

**Overview.** This notice is the Minnesota Pollution Control Agency's (MPCA's) legal notice of its intent to adopt amended air rules after a hearing. The purpose of these rule amendments, known as Clean Cars Minnesota, is to reduce greenhouse gas (GHG) and other air pollutant emissions from light-duty and medium-duty vehicles by adopting the Low-Emission Vehicles (LEV) and Zero-Emission Vehicles (ZEV) standards adopted by the California Air Resources Board, as allowed under section 177 of the Clean Air Act (CAA). This notice provides you the opportunity to submit comments on this rule to the Administrative Law Judge (ALJ), either orally at the hearing or in writing at any time before the close of the hearing record. The **Subject of Rules** section provides further description of these proposed rules. If the proposed rule changes affect you in any way, the MPCA encourages you to participate in the rulemaking process.

View the Alternative Format/Accommodation and MPCA Contact Person sections of this notice for information on requesting this document in an alternative format.

Subject of Rules and Statutory Authority. The proposed rules would adopt two emissions standards for GHGs

and other air pollutants from light-duty and medium-duty vehicles. The LEV standard would require automobile manufacturers to deliver for sale in Minnesota only vehicles that meet the more stringent GHG and other air pollutant emissions standards established by California and later adopted by several other states, as allowed under the CAA. The ZEV standard would require automobile manufacturers to deliver for sale in Minnesota each year a certain percentage of vehicles with zero tailpipe emissions, including battery electric vehicles, plug-in hybrid electric vehicles, and hydrogenfueled vehicles.

*Minnesota Statutes,* section 116.07, subdivision 4 authorizes the MPCA to adopt rules for the prevention, abatement, and control of air pollution. Minnesota statutes, section 116.07, subdivision 2 authorizes the MPCA to adopt "maximum allowable standards of emission of air contaminants from motor vehicles."

**Public Information Webinars and Legislative Hearings.** The MPCA intends to hold several public information webinars on Clean Cars Minnesota before the administrative hearing(s) in order to provide an overview of the proposed rules, the rulemaking process, and how to submit comments to the ALJ. NOTE: The webinars are opportunities to learn more about the proposal and the process; they are not opportunities to provide formal comment, and in order to ensure everyone has access to the same information about the rule proposal, MPCA staff will only be able to answer questions on topics that are covered in the publically available documents. Comments must be provided directly to the ALJ either at a hearing or in writing (see the **Public Hearing** and **Comments** sections below for details). Dates and times for the informational webinars are listed on the rulemaking webpage at *https://www.pca.state.mn.us/air/clean-cars-mn-rulemaking*; links, presentations and other materials related to the webinars will also be posted on the webpage once they are available.

During the Notice period, the MPCA may be asked by the Minnesota Legislature to appear at one or more legislative hearings on this proposed rule or on related issues. Because the MPCA does not control this process, dates and times of legislative hearings are not known in advance and cannot be included in this public notice. Notice of legislative hearings, including dates and times and agendas, are posted by the Legislature at *https://www.leg.state.mn.us/*. Any interested person may attend a legislative hearing at which MPCA is requested to appear.

**Public Hearing.** The MPCA intends to adopt these rules after two days of public hearings, following the procedures in the rules of the Office of Administrative Hearings (OAH), *Minnesota Rules* parts 1400.2200 to 1400.2240, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.131 to 14.20. The ALJ will conduct the hearing by WebEx on February 22 and 23, 2021, beginning at 3 p.m. both days.

- February 22 hearing link: Webex Hearing Link
- February 23 hearing link: Webex Hearing Link

The hearing continues until all parties are heard, or until the ALJ adjourns the hearing (no earlier than 6 p.m.). All interested or affected parties will have an opportunity to participate by submitting either oral or written data, statements, or arguments. You may submit a statement without appearing at the hearing. Refer to the **Comments** section for information on submitting statements. Additional information regarding the proposed rules and the hearing is provided at *https://www.pca.state.mn.us/air/clean-cars-mn-rulemaking*.

Administrative Law Judge. ALJ Jessica A. Palmer-Denig will conduct the hearing. Judge Palmer-Denig's Legal Assistant, Anne Laska, can be reached at the OAH, 600 N. Robert St., P.O. Box 64620, St. Paul, MN 55164-0620, telephone 651-361-7881, and fax 651-539-0310. The rule hearing procedure is governed by *Minnesota Statutes*, sections 14.131 to 14.20, and by the rules of the OAH, *Minnesota Rules*, parts 1400.2000 to 1400.2240. You should direct questions about the rule hearing procedure to the ALJ.

Availability of Rules and Statement of Need and Reasonableness. A copy of the proposed rules is published in the *State Register* with this notice. The statement of need and reasonableness (SONAR) summarizes the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost and benefit of the proposed rules. Electronic copies of the proposed rules and the SONAR are on the MPCA's website at

*https://www.pca.state.mn.us/public-notices*, and at *https://www.pca.state.mn.us/air/clean-cars-mn-rulemaking*. A print copy of the proposed rules is available for free upon request (one copy per request) by contacting the MPCA contact **person**; a print copy of the SONAR is available for the cost of reproduction.

**Comments.** You and all interested or affected people, including representatives of associations and other interested groups, will have an opportunity to participate. The ALJ will accept your views either orally at the hearing or in writing at any time before the close of the hearing record. Comments received at the hearing will be considered equally with written comments. You are strongly encouraged to submit written comments to the ALJ through the OAH Rulemaking eComments website at *https://minnesotaoah.granicusideas.com/discussions*. If it is not possible for you to use the eComments website, you may submit your written comments in person, via U.S. mail, or by fax to Judge Palmer-Denig at the address provided in the Administrative Law Judge section. All evidence that you present should relate to the proposed rules. NOTE: Comments regarding the MPCA's proposal *must be sent to the ALJ*. Comments sent to the MPCA alone will not be part of the rulemaking record. Comments submitted after the close of the comment period will not be accepted or considered part of the record. After the ALJ sets the closing date, the MPCA will update the rule website at *https://www.pca.state.mn.us/air/clean-cars-mn-rulemaking* to notify interested parties of the deadline to comment.

You may submit written comments to the ALJ to be recorded in the hearing record for five working days after the public hearing ends. At the hearing, the ALJ may order this period extended for a longer time, but for no more than 20 calendar days. After the comment period, there is an additional five-working-day rebuttal period during which the MPCA and any interested person may respond in writing to any new information submitted. No one may submit additional evidence during the five-day rebuttal period.

The OAH must receive all comments and responses submitted to the ALJ no later than 4:30 p.m. on the date the ALJ sets for the end of the comment period. All comments or responses received are public and will be available for review at *https://minnesotaoah.granicusideas.com/discussions* or at the OAH. You may view frequently asked questions about the OAH Rulemaking eComments website at *https://mn.gov/oah/assets/ecomments-faq\_tcm19-82012.pdf*. Any questions about submitting comments via the OAH Rulemaking eComments website should be directed to the OAH at 651-361-7900.

**MPCA Contact Person.** The MPCA contact person is Katie Izzo, MPCA Rule Coordinator, 520 Lafayette Rd. N, St. Paul, MN 55155-4194; telephone 651-757-2595; email *cleancarsmn.pca@state.mn.us*. You may also call the MPCA at 651-296-6300 or 1-800-657-3864; use your preferred relay service.

**Modifications.** The MPCA may modify the proposed rules as a result of the rule hearing process. It must support modifications by data and views presented during the rule hearing process. The adopted rules may not be substantially different than these proposed rules, unless the MPCA follows the procedure under *Minnesota Rules*, part 1400.2110. The public is also advised that, depending upon the comments received, the MPCA may withdraw the proposed changes.

Adoption Procedure After the Hearing. After the close of the hearing record, the ALJ will issue a report on the proposed rules. You may ask to be notified of the date when the ALJ's report will become available, and can make this request at the hearing or in writing to the ALJ. You may also ask to be notified of the date that the MPCA adopts the rules and files them with the Secretary of State, or ask to register with the MPCA to receive notice of future rule proceedings. You may make these requests at the hearing or in writing to the **MPCA** contact person.

**Lobbyist Registration.** *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. You should direct questions regarding this requirement to the Campaign Finance and Public Disclosure Board at Suite #190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, telephone 651-539-1180 or 1-800-657-3889.

Alternative Format/Accommodation. Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request or if you need an accommodation to make this hearing accessible, please contact the MPCA contact person.

Order. I order that the rulemaking hearing be held at the date, time, and location listed above.

Date: December 14, 2020

Laura Bishop, Commissioner Minnesota Pollution Control Agency

#### 7023.0150 SCOPE AND INCORPORATION BY REFERENCE.

Subpart 1. Scope. To reduce air pollution from vehicles in the state, parts 7023.0150 to 7023.0300 establish standards for low-emission vehicles and zero-emission vehicles.

Subp. 2. **Incorporation by reference.** California Code of Regulations, title 13, sections 1900, 1956.8(h) (medium-duty vehicle greenhouse gas emission standards only), 1961.2, 1961.3, 1962.2, 1962.3, 1965, 1968.2, 1976, 1978, 2035, 2037 to 2041, 2046, 2062, 2109, 2111 to 2121, 2122 to 2135, 2139, and 2141 to 2149, as amended, are incorporated by reference. The regulations are not subject to frequent change and are available online at https://oal.ca.gov/publications/ccr/.

Subp. 3. <u>Term substitutions.</u> In applying the incorporated sections of the California Code of Regulations, unless the <u>context requires otherwise:</u>

- A. "California" means "Minnesota";
- B. "CARB," "ARB," or "Air Resources Board" means the agency; and
- <u>C.</u> <u>"Executive Officer" means the commissioner.</u>

Subp. 4. Effective date. Parts 7023.0150 to 7023.0300, except part 7023.0300, subpart 4, are effective on the date given in a commissioner's notice published in the State Register after the standards incorporated by reference in subpart 2 are granted a waiver by the U.S. Environmental Protection Agency under United States Code, title 42, section 7543. The commissioner's notice must also designate the first effective model year in accordance with United States Code, title 42, section 7507.

#### 7023.0200 DEFINITIONS.

Subpart 1. Applicability. For parts 7023.0150 to 7023.0300, the terms in this part have the meanings given. The definitions in parts 7000.0100 and 7005.0100 and California Code of Regulations, title 13, section 1900, apply to parts 7023.0150 to 7023.0300 unless the terms are otherwise defined in this part.

Subp. 2. <u>Authorized emergency vehicle.</u> "Authorized emergency vehicle" has the meaning given in Minnesota Statutes, section 169.011.

Subp. 3. CARB. "CARB" means the California State Air Resources Board as defined in California Health and Safety Code, division 26, part 1, chapter 1, section 39003.

Subp. 4. First effective model year. "First effective model year" means the first model year for which the standards adopted in parts 7023.0150 to 7023.0300 are effective according to the commissioner's notice under part 7023.0150, subpart 4.

Subp. 5. Light-duty truck. "Light-duty truck" has the meaning given under California Code of Regulations, title 13, section 1900(b)(11).

Subp. 6. Medium-duty passenger vehicle. "Medium-duty passenger vehicle" has the meaning given under California Code of Regulations, title 13, section 1900(b)(12).

Subp. 7. Medium-duty vehicle. "Medium-duty vehicle" has the meaning given under California Code of Regula-

tions, title 13, section 1900(b)(13).

Subp. 8. <u>Military tactical vehicle.</u> "Military tactical vehicle" means a land combat or transportation vehicle, excluding a rail-based vehicle, that is designed for and used by a branch of the United States armed forces or used as an authorized emergency vehicle by or for a governmental agency.

Subp. 9. Model year. "Model year" means the manufacturer's annual production period that includes January 1 of a calendar year or, if the manufacturer has no annual production period, the calendar year. The model year for a motor vehicle manufactured in two or more stages is the model year in which the chassis is completed.

Subp. 10. Motor vehicle manufacturer. "Motor vehicle manufacturer" means a small, independent low, intermediate, or large volume manufacturer as defined under California Code of Regulations, title 13, section 1900(b)(8), (9), (10), and (22).

Subp. 11. <u>New motor vehicle.</u> "New motor vehicle" means a first effective model year or later model year motor vehicle with less than 7,500 miles of use accumulated as of the date of sale or lease.

Subp. 12. Passenger car. "Passenger car" has the meaning given under California Code of Regulations, title 13, section 1900(b)(17).

Subp. 13. Transitional zero-emission vehicle or TZEV. "Transitional zero-emission vehicle" or "TZEV" has the meaning given under California Code of Regulations, title 13, section 1962.2(c).

Subp. 14. Used motor vehicle. "Used motor vehicle" means a first effective model year or later model year motor vehicle with 7,500 miles or more of use accumulated as of the date of sale or lease.

Subp. 15. Zero-emission vehicle or ZEV. "Zero-emission vehicle" or "ZEV" has the meaning given under California Code of Regulations, title 13, section 1962.2(a).

#### 7023.0250 LOW-EMISSION VEHICLE STANDARDS.

Subpart 1. Requirement. Beginning with the first effective model year, all of the following that are produced by a motor vehicle manufacturer and delivered for sale or lease in the state must be certified to the standards incorporated by reference under part 7023.0150, subpart 2, except as provided under subpart 2:

A. <u>new motor vehicles that are passenger cars, light-duty trucks, medium-duty passenger vehicles, and medi-</u> <u>um-duty vehicles;</u>

- B. new light- or medium-duty motor vehicle engines; and
- C. motor vehicles with a new motor vehicle engine.

Subp. 2. Exceptions. This part does not apply to:

- A. a used motor vehicle;
- B. a new motor vehicle sold to another dealer;
- C. a new motor vehicle sold to be wrecked or dismantled;
- D. a new motor vehicle sold exclusively for off-highway use;
- E. a new motor vehicle sold for registration out-of-state;

<u>F.</u> a new motor vehicle that has been certified to standards adopted under authority granted in United States Code, title 42, section 7521, and that is in the possession of a rental agency in the state and that is next rented with a final destination outside of the state;

- G. an authorized emergency vehicle;
- H. a military tactical vehicle;
- I. a new motor vehicle transferred by inheritance;
- J. a new motor vehicle transferred by court decree;

K. a new motor vehicle acquired by a state resident to replace a motor vehicle that was registered to the resident and that, while out of state, was damaged, became inoperative beyond reasonable repair, or was stolen if the replacement motor vehicle is acquired out of state at the time the previously owned vehicle was damaged, became inoperative, or was stolen; or

<u>L.</u> a new motor vehicle purchased and registered in another state by a person who is a resident of that state and who subsequently establishes residency in Minnesota. Upon registering the new motor vehicle in Minnesota, the person must provide evidence to the commissioner of the previous residence and registration.

#### Subp. 3. Fleet average emissions.

A. For first effective model year motor vehicles and all subsequent model year motor vehicles to which this part applies, a motor vehicle manufacturer must not exceed the fleet average non-methane organic gas plus oxides of nitrogen emission values under California Code of Regulations, title 13, section 1961.2. Credits and debits may be accrued and used based on a manufacturer's sales in the state of motor vehicles subject to this part according to California Code of Regulations, title 13, section 1961.2.(c).

B. For first effective model year motor vehicles and all subsequent model year motor vehicles to which this part applies, a motor vehicle manufacturer must not exceed the fleet average greenhouse gas exhaust emission values under California Code of Regulations, title 13, section 1961.3. For first effective model year motor vehicles and all subsequent model year motor vehicles, manufacturers of medium-duty vehicles produced by a motor vehicle manufacturer and delivered for sale or lease in the state must not exceed the greenhouse gas emission standards under California Code of Regulations, title 13, section 1956.8(h)(6). Credits and debits may be accrued and used based on a manufacturer's sales in the state of motor vehicles subject to this part according to California Code of Regulations, title 13, section 1961.3.

Subp. 4. Environmental performance labels. Beginning with the first effective model year and all subsequent model years, all new motor vehicles subject to this part produced by a motor vehicle manufacturer and delivered for sale or lease in the state must be affixed with emission control labels and environmental performance labels according to California Code of Regulations, title 13, section 1965.

Subp. 5. Warranty requirements. For all motor vehicles subject to this part, the motor vehicle manufacturer must provide defect warranty coverage that complies with California Code of Regulations, title 13, sections 2035, 2037 to 2041, and 2046.

Subp. 6. **Recall requirements.** For all motor vehicles subject to this part and subject to recall in California, the motor vehicle manufacturer must undertake a recall campaign in this state according to California Code of Regulations, title 13, sections 2111 to 2121 and 2122 to 2135, unless the manufacturer demonstrates to the commissioner that the recall is not applicable to motor vehicles registered in Minnesota.

#### Subp. 7. Reporting requirements.

A. By May 1 of the calendar year after the end of the model year, a motor vehicle manufacturer must annually submit to the commissioner a report demonstrating that the motor vehicle manufacturer has met the requirements of subpart 3, item A, for its fleet delivered for sale in the state.

B. By May 1 of the calendar year after the end of the model year, a motor vehicle manufacturer must annually submit to the commissioner a report demonstrating that the motor vehicle manufacturer has met the requirements of subpart 3, item B, for its fleet delivered for sale in the state.

C. If requested by the commissioner, a motor vehicle manufacturer must provide reports in the same format as provided to CARB on all assembly-line emission testing and functional test results collected as a result of compliance with this part, warranty claim reports, recall reports, and any other reports required by CARB under the regulations incorporated by reference under part 7023.0150. The reports must be supplemented with data on motor vehicles delivered for sale or registered in Minnesota.

D. If the commissioner deems it necessary to administer and enforce this part, the commissioner must require a motor vehicle manufacturer subject to this part to submit additional documentation, including all certification materials submitted to CARB.

#### Subp. 8. Record availability and retention; reporting noncompliance.

<u>A.</u> Upon oral or written request of the commissioner, a person subject to this part must furnish to the commissioner or allow the commissioner to access and copy all records that relate to the motor vehicles that are subject to this part and that are relevant for determining compliance with this part. Unless otherwise specified, a person subject to this part must retain all relevant records for at least five years after creating the records.

B. If a report issued by a motor vehicle manufacturer under subpart 7 demonstrates noncompliance with the fleet average under subpart 3 for a model year, the manufacturer must, within 60 days, file a report with the commissioner to document the noncompliance. The report must identify all motor vehicle models delivered for sale or lease in the state, the models' corresponding certification standards, and the percentage of each model delivered for sale in this state and California in relation to total fleet sales in the respective state.

#### 7023.0300 ZERO-EMISSION VEHICLE STANDARDS.

Subpart 1. **Requirement.** Beginning with the first effective model year, a motor vehicle manufacturer's sales fleet of passenger cars and light-duty trucks produced by motor vehicle manufacturers and delivered for sale or lease in the state must contain at least the same applicable percentage of ZEVs required under California Code of Regulations, title 13, section 1962.2.

#### Subp. 2. Credit bank; reporting requirements; record availability and retention.

A. Beginning in the first effective model year, a motor vehicle manufacturer subject to this part must open an account in the California ZEV credit system for banking credits earned in Minnesota. The account must be opened no later than March 1 of the calendar year after the end of the first effective model year. A motor vehicle manufacturer must notify the commissioner within 30 days of opening an account in the California ZEV credit system for the manufacturer er's Minnesota ZEV credits.

<u>B.</u> At least annually by May 1 of the calendar year after the close of a model year, a motor vehicle manufacturer must submit a report to the commissioner that identifies the necessary delivery and placement data of all motor vehicles generating ZEV credits and all transfers and acquisitions of ZEV credits, according to California Code of Regulations, title 13, section 1962.2. The report may be amended based on late sales.

<u>C.</u> Upon oral or written request of the commissioner, a person subject to this part must furnish to the commissioner or allow the commissioner to access and copy all records that relate to the motor vehicles that are subject to this part and that are relevant for determining compliance with this part. Unless otherwise specified, a person subject to this part

must retain all relevant records for at least five years after creating the records.

Subp. 3. **Requirement to make up ZEV deficit.** A motor vehicle manufacturer that delivers for sale in the state fewer ZEVs or TZEVs than required to meet its ZEV credit obligation in a given model year must make up the deficit by submitting a commensurate amount of ZEV credits to the commissioner according to California Code of Regulations, title 13, section 1962.2(g)(7). The number of motor vehicles not meeting the ZEV credit obligation must be equal to the manufacturer's credit deficit, rounded to the nearest 1/100th and calculated according to the equation in California Code of Regulations, tile 13, section 1962.2(g)(8).

#### Subp. 4. Early-action credits.

A. Beginning with model year 2022 and ending at the beginning of the first effective model year, a motor vehicle manufacturer may earn early-action ZEV credits for delivering ZEVs for sale in the state. A motor vehicle manufacturer choosing to earn early-action ZEV credits under this subpart must notify the commissioner to open an account to track early-action ZEV credits in Minnesota no later than March 1 of the calendar year after the close of the first model year for which the manufacturer intends to accrue early-action credits.

<u>B.</u> New motor vehicles delivered for sale in the state under this subpart earn early-action ZEV credits with the same values established in California Code of Regulations, title 13, section 1962.2.

<u>C.</u> <u>A motor vehicle manufacturer that notifies the commissioner under item A must submit a report to the commissioner at least annually by May 1 of the calendar year after the close of the model year that identifies the necessary delivery and placement data of all motor vehicles generating early-action ZEV credits under this subpart, according to California Code of Regulations, title 13, section 1962.2. The report may be amended based on late sales.</u>

D. After the reporting deadline under item C during the first effective model year and after receiving notice from a motor vehicle manufacturer under subpart 2, item A, the commissioner must load the ZEV credits earned by the motor vehicle manufacturer under this subpart into the manufacturer's California ZEV credit system account.

E. This subpart is effective beginning with a motor vehicle manufacturer's model year 2022.

### Subp. 5. Onetime credit allotment.

<u>A.</u> For the first effective model year, the commissioner must deposit into each motor vehicle manufacturer's account a credit allotment equivalent to the first effective model year's ZEV credit requirement for that motor vehicle manufacturer.

B. The credit amount under item A must be calculated for the first effective model year according to California Code of Regulations, title 13, section 1962.2(b)(1)(A) and (B).

<u>C.</u> <u>The commissioner must deposit the onetime credit allotment at the same time that the commissioner loads the</u> ZEV credits earned by the motor vehicle manufacturer under subpart 4, item D, into the manufacturer's California ZEV credit system account.