

116TH CONGRESS  
1ST SESSION

# H. R. 2764

To amend the Clean Air Act to create a national zero-emission vehicle standard, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2019

Mr. LEVIN of California (for himself and Mr. NEGUSE) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend the Clean Air Act to create a national zero-emission vehicle standard, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Zero-Emission Vehicles  
5 Act of 2019”.

6 **SEC. 2. NATIONAL ZERO-EMISSION VEHICLE STANDARD.**

7 (a) NATIONAL ZERO-EMISSION VEHICLE STAND-  
8 ARD.—Part A of title II of the Clean Air Act (42 U.S.C.  
9 7521 et seq.) is amended by adding at the end the fol-  
10 lowing:

1 **“SEC. 220. NATIONAL ZERO-EMISSION VEHICLE STANDARD.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) BASE QUANTITY OF NEW PASSENGER VE-  
4 HICLES.—The term ‘base quantity of new passenger  
5 vehicles’ means the total quantity of new passenger  
6 vehicles delivered for sale by a vehicle manufacturer  
7 during the most recent model year.

8 “(2) PASSENGER VEHICLE.—The term ‘pas-  
9 senger vehicle’ has the meaning given the term ‘pas-  
10 senger motor vehicle’ in section 32101 of title 49,  
11 United States Code.

12 “(3) QUALIFIED ELECTRIC VEHICLE.—The  
13 term ‘qualified electric vehicle’ means a passenger  
14 vehicle that is—

15 “(A) a new qualified plug-in electric drive  
16 motor vehicle (as defined in section 30D(d) of  
17 the Internal Revenue Code of 1986); or

18 “(B) a new qualified fuel cell motor vehicle  
19 (as defined in section 30B(d)(3) of the Internal  
20 Revenue Code of 1986).

21 “(4) RETIRE.—The term ‘retire’, with respect  
22 to a zero-emission vehicle credit, means to disqualify  
23 the zero-emission vehicle credit for any subsequent  
24 use under this section, including sale, transfer, ex-  
25 change, or submission in satisfaction of a compliance  
26 obligation.

1 “(5) VEHICLE MANUFACTURER.—

2 “(A) IN GENERAL.—The term ‘vehicle  
3 manufacturer’ means an entity that—

4 “(i) engaged in the manufacturing of  
5 new passenger vehicles; and

6 “(ii) sold not fewer than 100 new pas-  
7 senger vehicles to ultimate purchasers in  
8 the United States within the current or  
9 previous calendar year, either directly or  
10 through an affiliate, such as a dealer.

11 “(B) EXCLUSIONS.—The term ‘vehicle  
12 manufacturer’ does not include—

13 “(i) a motor vehicle parts supplier; or

14 “(ii) a dealer.

15 “(6) ZERO-EMISSION VEHICLE.—The term  
16 ‘zero-emission vehicle’ means a passenger vehicle  
17 that produces zero exhaust emissions of any criteria  
18 pollutant, precursor pollutant, or greenhouse gas,  
19 other than water vapor, in any mode of operation or  
20 condition, as determined by the Administrator.

21 “(b) COMPLIANCE.—For model year 2030 and each  
22 model year thereafter, each vehicle manufacturer shall  
23 meet the requirements of subsections (c) and (d) by sub-  
24 mitting to the Administrator, not later than April 1 of  
25 the following calendar year, as applicable—

1           “(1) for a vehicle manufacturer that fails to  
 2           meet the minimum required percentage of zero-emis-  
 3           sion vehicle sales for the applicable model year, as  
 4           determined under subsection (c), a quantity of zero-  
 5           emission vehicle credits sufficient to offset that ex-  
 6           cess, as determined by the Administrator; or

7           “(2) for a vehicle manufacturer that meets or  
 8           exceeds the minimum required percentage of zero-  
 9           emission vehicle sales for the applicable model year,  
 10          as determined under subsection (c), a certification of  
 11          that compliance, as the Administrator determines to  
 12          be appropriate.

13          “(c) MINIMUM REQUIRED ANNUAL PERCENTAGE OF  
 14          ZERO-EMISSION VEHICLE CREDITS.—For model years  
 15          2030 through 2040, in annual increments, the minimum  
 16          annual percentage of the base quantity of new passenger  
 17          vehicles of a vehicle manufacturer delivered for sale that  
 18          are equivalent to zero-emission vehicles, based on the  
 19          issuance of zero-emission vehicle credits, shall be the appli-  
 20          cable percentage specified in the following table:

“Minimum Required Annual Percentage of Zero-Emission Vehicle  
Credits

| Model Year | Percentage |
|------------|------------|
| 2030 ..... | 50.0       |
| 2031 ..... | 55.0       |
| 2032 ..... | 60.0       |
| 2033 ..... | 65.0       |
| 2034 ..... | 70.0       |
| 2035 ..... | 75.0       |
| 2036 ..... | 80.0       |

“Minimum Required Annual Percentage of Zero-Emission Vehicle  
Credits—Continued

| Model Year | Percentage |
|------------|------------|
| 2037 ..... | 85.0       |
| 2038 ..... | 90.0       |
| 2039 ..... | 95.0       |
| 2040 ..... | 100.0      |

1       “(d) REQUIREMENT FOR 2040 AND THEREAFTER.—

2   For model year 2040 and each model year thereafter, a  
3   vehicle manufacturer shall sell only zero-emission vehicles.

4       “(e) ZERO-EMISSION VEHICLE CREDITS.—

5           “(1) IN GENERAL.—A vehicle manufacturer  
6   may satisfy the requirements of subsection (b)  
7   through the submission of zero-emission vehicle  
8   credits—

9           “(A) issued to the vehicle manufacturer  
10   under subsection (f); or

11           “(B) obtained by purchase, transfer, or ex-  
12   change under subsection (g).

13           “(2) LIMITATION.—A zero-emission vehicle  
14   credit may be counted toward compliance with sub-  
15   section (b) only once.

16       “(f) ISSUANCE OF ZERO-EMISSION VEHICLE CRED-  
17   ITS.—

18           “(1) IN GENERAL.—Not later than 2 years  
19   after the date of enactment of this section, the Ad-  
20   ministrator shall establish by rule a program—

1           “(A) to verify and issue zero-emission vehi-  
2           cle credits to vehicle manufacturers;

3           “(B) to track the sale, transfer, exchange,  
4           carry over, and retirement of zero-emission ve-  
5           hicle credits; and

6           “(C) to enforce the requirements of this  
7           section.

8           “(2) APPLICATION.—

9           “(A) IN GENERAL.—A vehicle manufac-  
10          turer that delivered for sale, either directly or  
11          through an affiliate, such as a dealer, a new  
12          zero-emission vehicle or a qualified electric vehi-  
13          cle in the United States may apply to the Ad-  
14          ministrator for the issuance of a zero-emission  
15          vehicle credit.

16          “(B) ELIGIBILITY.—To be eligible for the  
17          issuance of a zero-emission vehicle credit, a ve-  
18          hicle manufacturer shall demonstrate to the Ad-  
19          ministrator that the vehicle manufacturer deliv-  
20          ered for sale 1 or more zero-emission vehicles or  
21          qualified electric vehicles in the previous model  
22          year.

23          “(C) CONTENTS.—The application shall  
24          indicate—

1 “(i) the type of zero-emission vehicle  
2 or qualified electric vehicle that was deliv-  
3 ered for sale;

4 “(ii) the State in which the zero-emis-  
5 sion vehicle or qualified electric vehicle was  
6 delivered for sale; and

7 “(iii) any other information deter-  
8 mined to be appropriate by the Adminis-  
9 trator.

10 “(D) AGGREGATION.—An application for a  
11 zero-emission vehicle credit under subparagraph  
12 (A) may aggregate information on all zero-emis-  
13 sion vehicles and qualified electric vehicles deliv-  
14 ered for sale by the vehicle manufacturer in the  
15 applicable model year.

16 “(3) QUANTITY OF ZERO-EMISSION VEHICLE  
17 CREDITS.—

18 “(A) ZERO-EMISSION VEHICLES.—The Ad-  
19 ministrator shall issue to a vehicle manufac-  
20 turer the application under paragraph (2) of  
21 which is approved 1 zero-emission vehicle credit  
22 for each zero-emission vehicle delivered for sale  
23 in the United States.

24 “(B) QUALIFIED ELECTRIC VEHICLES.—  
25 For a qualified electric vehicle delivered for sale

1 by a vehicle manufacturer the application under  
2 paragraph (2) of which is approved, the Admin-  
3 istrator shall issue a partial zero-emission vehi-  
4 cle credit based on the estimated proportion of  
5 the mileage driven on the battery of the quali-  
6 fied electric vehicle, as determined by the Ad-  
7 ministrator.

8 “(C) CREDIT BANKING.—A zero-emission  
9 vehicle credit issued for any model year that is  
10 not submitted to comply with the minimum an-  
11 nual percentage of zero-emission vehicles under  
12 subsection (c) during that model year may be  
13 carried forward for use pursuant to subsection  
14 (b)(1) within the next 5 years, but not later  
15 than model year 2040.

16 “(g) ZERO-EMISSION VEHICLE CREDIT TRADING.—

17 “(1) IN GENERAL.—A zero-emission vehicle  
18 credit for any model year before 2040 that is not  
19 submitted to the Administrator to comply with the  
20 minimum annual percentage of zero-emission vehi-  
21 cles under subsection (c) for that model year may be  
22 sold, transferred, or exchanged by the vehicle manu-  
23 facturer to which the credit is issued or by any other  
24 entity that acquires the zero-emission vehicle credit.

25 “(2) DELEGATION.—



1           “(A) IN GENERAL.—The Administrator  
2           may delegate to an appropriate market-making  
3           entity the administration of a national tradeable  
4           zero-emission vehicle credit market for purposes  
5           of creating a transparent national market for  
6           the sale or trade of zero-emission vehicle cred-  
7           its.

8           “(B) PUBLIC REPORT.—If the Adminis-  
9           trator makes a delegation under subparagraph  
10          (A), the entity to which the Administrator made  
11          the delegation shall annually submit to Con-  
12          gress and make available to the public a report  
13          describing the status of the zero-emission vehi-  
14          cle credit market.

15          “(h) ZERO-EMISSION VEHICLE CREDIT RETIRE-  
16          MENT.—

17               “(1) IN GENERAL.—Any entity that obtains  
18               legal rights to a zero-emission vehicle credit may re-  
19               tire the zero-emission vehicle credit in any model  
20               year.

21               “(2) USE OF RETIRED ZERO-EMISSION VEHICLE  
22               CREDIT.—A zero-emission vehicle credit retired  
23               under paragraph (1) may not be used for compliance  
24               with subsection (b) in—

1           “(A) the model year in which the zero-  
2           emission vehicle credit is retired; or

3           “(B) any subsequent model year.

4           “(i) INFORMATION COLLECTION.—The Adminis-  
5           trator may collect the information necessary to verify and  
6           audit—

7           “(1) the model year sales of passenger vehicles  
8           of any vehicle manufacturer;

9           “(2) a zero-emission vehicle credit submitted by  
10          a vehicle manufacturer pursuant to subsection  
11          (b)(1);

12          “(3) the validity of a zero-emission vehicle cred-  
13          it submitted for compliance by a vehicle manufac-  
14          turer to the Administrator; and

15          “(4) the quantity of passenger vehicles delivered  
16          for sale in the United States of all vehicle manufac-  
17          turers.

18          “(j) STATE PROGRAMS.—

19          “(1) IN GENERAL.—Nothing in this section  
20          shall preempt the authority of a State or political  
21          subdivision of a State to adopt or enforce any law  
22          (including regulations) relating to motor vehicles, in-  
23          cluding the authority to set standards for motor ve-  
24          hicle emissions and zero-emission vehicle require-  
25          ments under section 177 and section 209.

1           “(2) COMPLIANCE WITH SECTION.—No law or  
2           regulation of a State or political subdivision of a  
3           State shall relieve any vehicle manufacturer from  
4           compliance with any requirement otherwise applica-  
5           ble under this section.

6           “(k) SENSE OF CONGRESS.—It is the sense of Con-  
7           gress that vehicle manufacturers should diversify vehicle  
8           technologies and models to ensure consumer choice and  
9           access.

10          “(l) REGULATIONS.—Not later than 540 days after  
11          the date of enactment of this section, the Administrator  
12          shall promulgate regulations to implement this section.

13          “(m) ENFORCEMENT.—

14                 “(1) CIVIL PENALTY.—

15                         “(A) IN GENERAL.—A vehicle manufac-  
16                         turer that fails to comply with subsection (b)  
17                         shall be liable for a civil penalty, assessed by  
18                         the Administrator, in an amount that is equal  
19                         to twice the average value of the aggregate  
20                         quantity of zero-emission vehicle credits that  
21                         the vehicle manufacturer failed to submit in vio-  
22                         lation of that subsection, as determined by the  
23                         Administrator.

1           “(B) ENFORCEMENT.—The Administrator  
2           shall assess any civil penalty under subpara-  
3           graph (A).

4           “(C) DEPOSIT.—With respect to any civil  
5           penalty paid to the Administrator pursuant to  
6           subparagraph (A), the Administrator shall de-  
7           posit the amount into the Highway Trust Fund  
8           established by section 9503(a) of the Internal  
9           Revenue Code of 1986.

10          “(2) INJUNCTION.—After model year 2040, the  
11          Administrator may issue an injunction on the manu-  
12          facture of any passenger vehicles other than zero-  
13          emission vehicles by a vehicle manufacturer.”.

14          (b) TABLE OF CONTENTS AMENDMENT.—The table  
15          of contents of the Clean Air Act (42 U.S.C. prec. 7401)  
16          is amended by adding at the end of the items relating to  
17          part A of title II the following:

        “Sec. 220. National zero-emission vehicle standard.”.

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