



State of North Carolina

ROY COOPER
GOVERNOR

October 25, 2022

EXECUTIVE ORDER NO. 271

GROWING NORTH CAROLINA'S ZERO-EMISSION VEHICLE MARKET

WHEREAS, N.C. Const. art. XIV, § 5 establishes that it is the policy of the state to conserve and protect its lands and waters for the benefit of all its people, and that it is a proper function of the state to control and limit the pollution of our air and water, and in every other appropriate way to preserve as a part of the common heritage of this state, its forests, wetlands, estuaries, beaches, historical sites, open lands, and places of beauty; and

WHEREAS, North Carolina's transition to a clean energy future will create good-paying jobs, reduce harmful emissions, and protect our environment; and

WHEREAS, medium- and heavy-duty ("MHD") vehicles, ranging from delivery trucks and school buses to public transit buses and semi-trucks, support the connectivity, safety, and livelihoods of North Carolinians and underpin the state's leading economy; and

WHEREAS, automakers are rapidly increasing investments in the production of zero-emission vehicles ("ZEVs"); and

WHEREAS, by 2025 or earlier, many MHD ZEVs are expected to be more affordable to own and operate than internal combustion engine ("ICE") vehicles, not even accounting for government subsidies and other policy supports, according to the 2022 ZEV Task Force Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Action Plan; and

WHEREAS, by 2030, MHD ZEVs are expected to be more affordable to own and operate than ICE vehicles for applications in all weight classes, not even accounting for government subsidies and other policy supports; and

WHEREAS, a growing number of businesses have committed to transitioning their vehicle fleets to ZEVs to remain economically competitive, mitigate fluctuating gas and diesel prices, save money, meet sustainability goals, and recruit and retain talent; and

WHEREAS, with its skilled workforce and renowned business environment, North Carolina is a national hub for MHD vehicle manufacturing and supply chain development and is well positioned to lead the market-driven transition to ZEVs already underway; and

WHEREAS, by adopting policies to grow the MHD ZEV market, North Carolina will create good-paying jobs, grow the economy, enhance consumer choice, and lower the cost to consumers by expanding access to increasingly more affordable vehicles; and

WHEREAS, North Carolina risks limiting access to cheaper and cleaner MHD ZEVs by not joining the six other states, representing approximately 20% of the nation's trucking fleet, that

have established a MHD ZEV sales requirement and the several other states actively pursuing a sales requirement; and

WHEREAS, according to the 2020 Air Quality Trends in North Carolina report, MHD ICE vehicles are responsible for emitting 26% of smog-forming nitrogen oxide emissions, 32% of particulate matter, and a significant portion of other hazardous air pollutants from on-road motor vehicle traffic in the state, though they comprise only 3.2% of North Carolina's registered vehicles; and

WHEREAS, air pollution from buses and trucks predominantly powered by diesel engines worsens asthma and other cardio-respiratory illnesses, especially in children and older adults, increases heart attacks and strokes, and contributes to other negative health impacts including premature death; and

WHEREAS, the 2022 North Carolina Greenhouse Gas ("GHG") Inventory found that the transportation sector is the state's largest source of GHG emissions, responsible for nearly 40% of gross statewide emissions, and MHD ICE vehicles are the second largest source of transportation related GHG emissions after passenger cars and trucks; and

WHEREAS, climate change and the cumulative impacts of multiple sources of pollution disproportionately affect people of color, low-income communities, and indigenous communities, and efforts to reduce these effects must promote environmental justice and health equity while ensuring the meaningful engagement of the people who are disproportionately impacted and giving them a greater voice in decision-making processes; and

WHEREAS, in July 2020, the undersigned joined the Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Memorandum of Understanding to reduce pollution and grow the MHD ZEV market by striving to achieve sales shares of 30% by 2030 and 100% no later than 2050; and

WHEREAS, the North Carolina Department of Environmental Quality ("NCDEQ") is investing \$93.5 million across the state in electric vehicle charging infrastructure and the replacement of buses and on-road heavy-duty equipment with cleaner alternatives through the Volkswagen Settlement program; and

WHEREAS, North Carolina has already received \$109 million through the Infrastructure Investment and Jobs Act ("IIJA") to invest in electric vehicle charging infrastructure; and

WHEREAS, the IIJA and the Inflation Reduction Act of 2022 authorize billions of dollars in tax credit, loan, grant, and other funding programs to accelerate the growth of the domestic MHD ZEV market and the state will be applying for funding to invest in additional ZEV infrastructure and other market needs; and

WHEREAS, in January 2022, the undersigned issued Executive Order No. 246 establishing new GHG reduction and ZEV adoption goals, and directing the state to identify pathways to achieve those goals including developing a North Carolina Clean Transportation Plan to recommend actionable strategies for decarbonizing the transportation sector; and

WHEREAS, accelerating the growth of the MHD ZEV market will contribute to North Carolina's clean energy, environmental justice, and climate objectives by reducing emissions from the most polluting vehicles on the road while generating local economic development and good-paying jobs in a quickly growing sector; and

Statutory Authority and Determinations

WHEREAS, Advanced Clean Trucks ("ACT") is a motor vehicle emissions standard program that directs certain manufacturers to sell an increasing percentage of ZEVs to reduce the overall emissions their vehicles emit; and

WHEREAS, adopting ACT in North Carolina will significantly help the state reduce its emissions of criteria pollutants; and

WHEREAS, N.C. Const. art. III, § I provides that the executive power of the state shall be vested in the Governor; and

WHEREAS, pursuant to N.C. Gen. Stat. § 147-12(a)(1), it is the Governor's duty to supervise the official conduct of all executive and ministerial officers; and

WHEREAS, pursuant to N.C. Gen. Stat. § 143B-4, the Governor is responsible for formulating and administering the policies of the executive branch of the state government.

NOW, THEREFORE, by the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED**:

Section 1. Advanced Clean Trucks Rule

NCDEQ shall establish a North Carolina Advanced Clean Trucks program requiring manufacturers to sell an increasing percentage of MHD ZEVs over time and shall propose that rule for consideration by the Environmental Management Commission no later than May 15, 2023. NCDEQ shall collaborate with local governments, environmental justice organizations, underserved communities, automobile manufacturers, motor fleet owners, electric utilities, the North Carolina Utilities Commission ("NCUC"), public health experts, environmental organizations, and other interested stakeholders in developing the proposed rule and the associated regulatory impact analysis.

Section 2. Distribution of State and Federal Funds

Cabinet agencies shall pursue and invest eligible federal and state funding, in a manner consistent with applicable law, toward growing the MHD ZEV market in North Carolina, including but not limited to investing in charging infrastructure, vehicle purchase incentives, workforce development, demonstration projects, technical assistance, and increased monitoring of mobile source air pollution. Cabinet agencies shall prioritize investments that support strategies outlined in Section 3 of this Executive Order and the investment priorities identified in Section 10 of Executive Order No. 246.

Section 3. Complementary Strategies

All Cabinet agencies implicated by this Executive Order, including but not limited to NCDEQ, the North Carolina Department of Transportation ("NCDOT"), and the North Carolina Department of Commerce, shall work with stakeholders to identify and implement strategies that complement the adoption of the North Carolina ACT program and support an affordable and reliable transition to ZEVs in the MHD sector. In carrying out this section, Cabinet agencies shall prioritize strategies identified in the North Carolina Clean Transportation Plan as well as strategies that further environmental justice and equity, such as creating economic development opportunities for women- and minority-owned businesses; increasing affordability and access to MHD ZEVs in underserved communities; and improving health outcomes for communities disproportionately impacted by transportation-related air pollution.

Section 4. Public Health and Health Equity

The North Carolina Department of Health and Human Services ("NCDHHS") shall work to increase understanding and awareness of the disproportionate health impacts of transportation-related emissions, including emissions from MHD vehicles, on underserved communities and people of color. Specifically, NCDHHS shall:

- a. Research and publish a report on the health and environmental justice impacts of transportation-related air pollutants in North Carolina.
- b. Include the best available air quality data in the NCDHHS Environmental Health Data Dashboard.

- c. Incorporate environmental justice metrics in the NCDHHS Environmental Health Data Dashboard, as informed by the North Carolina Environmental Public Health Tracking Advisory Committee.
- d. Develop a mechanism for notifying community stakeholders about funding opportunities to address the disproportionate health impacts of transportation-related emissions.

In carrying out this section NCDHHS shall engage NCDEQ and other cabinet agencies, local health departments, community organizations, research institutions and other stakeholders, and shall work to ensure any relevant findings inform the implementation of Section 2 and Section 3 of this Executive Order and other state and local efforts to prioritize emission reduction activities.

Section 5. Zero-Emission Vehicle Infrastructure Needs Assessment

NC DOT, in partnership with NCDEQ, the NCUC, and other Cabinet agencies, shall develop a North Carolina ZEV Infrastructure Needs Assessment (“Needs Assessment”) that evaluates charging and fueling needs to support successful implementation of the North Carolina ACT program and the achievement of ZEV adoption targets established in Executive Order No. 246. The Needs Assessment shall include, but is not limited to, an evaluation of the number, type, distribution, and cost of chargers and other fueling stations needed to achieve North Carolina’s ZEV goals while accounting for the importance of ensuring a convenient, reliable, affordable, and equitable ZEV infrastructure network throughout the state including rural areas. The Needs Assessment shall be completed for the N.C. Climate Change Interagency Council to submit to the Governor within eleven (11) months of the signing of this Executive Order.

Section 6. State Motor Fleet ZEV Transition

As part of their ongoing efforts to implement Section 7 of Executive Order No. 80, Cabinet agencies shall prioritize ZEVs in the purchase or lease of new MHD vehicles with a gross vehicle weight rating greater than 8,500 pounds. To support implementation of this directive, the North Carolina Department of Administration shall seek to add MHD ZEVs to state term contracts for its replacement vehicle program and shall report on its efforts to support this directive into the agency’s annual North Carolina Motor Fleet ZEV Plan as appropriate.

Section 7. Environmental Stewardship Initiative

NCDEQ shall enhance the Environmental Stewardship Initiative by further recognizing and supporting companies and facilities that demonstrate leadership in reducing their transportation-related footprint, including by increasing the share of MHD ZEVs in their vehicle fleets.

Section 8. Annual Reporting

By October 15, 2023, and annually thereafter, Cabinet agencies shall incorporate implementation updates on Executive Order No. 246, this Executive Order, and the Climate Risk and Resilience Plan into the North Carolina Climate Change Interagency Council’s annual status report to the Governor required by Executive Order No. 80.

Section 9. No Private Right of Action

This Executive Order is not intended to create, and does not create, any individual right, privilege, or benefit, whether substantive or procedural, enforceable at law or in equity by any party against the State of North Carolina, its agencies, departments, political subdivisions, or other entities, or any officers, employees, or agents thereof, or any other person.

Section 10. Savings Clause

If any provision of this Executive Order or its application to any person or circumstances is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

Section 11. Effect and Duration

This Executive Order is effective immediately and shall remain in effect until rescinded or replaced with a superseding Executive Order.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 25th day of October in the year of our Lord two thousand and twenty-two.



Roy Cooper
Governor

ATTEST:



Elaine F. Marshall
Secretary of State

