

Press Release



California's Zero Emissions Vehicle Rule and Its Nationwide Impacts

PAULINA ENCK | OCTOBER 25, 2022

The California Air Resources Board, the state's environmental regulator, recently approved a rule that would require 100 percent of new light- and medium-duty vehicles sold in the state to be zero emission vehicles (ZEVs) by 2035. In a new insight, Director of Regulatory Policy Dan Bosch explains the new rule, its projected economic impacts, and the implications for states that choose to adopt it.

Key points:

- The Clean Air Act allows certain states to choose to adopt California's vehicle emissions standards, which are more stringent than federal standards.
- Seventeen states and the District of Columbia follow California's current rule, but reaction has been mixed as to whether many will follow its mandated transition to a 100 percent ZEV fleet.
- While California regulators project the rule's benefits to outweigh its costs, these benefits are heavily reliant on the price of gasoline staying well above the federal government's projected average price per gallon through 2040 and the value of the social cost of carbon – calling into question whether the state's rosy projection will come to fruition.

[Read the analysis](#)