# Draft Proposed Regulation Order

Warranty Requirements for Zero Emission and Batteries in Plug-in Hybrid Electric 2026 and Subsequent Model Year Passenger Cars and Light-Duty Trucks

Section 1962.8

[Note: This version is a staff draft, not an authoritative version for this proposed rulemaking, not being proposed for adoption, and not being released for public comment. This is subject to change. Official proposed (15-day) changes and an explanatory notice will be released for public comment at a later date.

Subsections for which no changes are proposed are indicated with "\* \* \* \*."]

1962.8. Warranty Requirements for Zero-Emission and Batteries in Plug-in Hybrid Electric 2026 and Subsequent Model Year Passenger Cars and Light-Duty Trucks

(a) Applicability.

- (1) This section shall apply to 2026 and subsequent model year zeroemission vehicles certified for sale in California.
- (2) The requirements for a battery warranty in subsection (c) shall also apply to 2026 and subsequent model year plug-in hybrid electric vehicles certified for sale in California. Plug-in hybrid electric vehicles are not subject to the requirements under subsections (d) through (l) and instead are subject to the requirements of California Code of Regulations (CCR), title 13, sections 2035 through 2149, for emission warranty and warranty reporting. For the required warranty rate and information reports required for the battery warranted under subsection (c), manufacturers may elect to report through the provisions of this section in lieu of CCR, title 13, sections 2141 through 2149 and may submit information electronically under subsection (m).
- (b) Definitions. For the purposes of this section, the following definitions shall apply, in addition to those definitions in CCR, title 13, section 1962.4, and incorporated test procedure.

"Authorized service network" means all the service and repair providers that are warranty stations.

"*Battery*" means any electrical energy storage device consisting of any number of individual battery modules or cells that is used to provide tractive power to propel a battery electric or plug-in hybrid electric vehicle.

"Propulsion-related part" means any system, component, or part whose failure will directly impede the ability to refuel or recharge the vehicle, store fuel or energy for the vehicle (excluding the battery), propel the vehicle, including delivering torque to the wheel and tire assembly excluding the wheel and tire assembly itself, or recover or recoup vehicle kinetic energy, including components used to control, manage, or thermally manage such propulsionrelated parts. These parts include drive motor(s), wheel motor(s), inverter(s), converter(s), on-board charging system components, fuel cell stack components, refueling and fuel tank components, fuel cell air and fuel delivery components, regenerative braking system components, and the power electronics, electronic control units, and thermal management systems of such components and systems providing propulsion, thermal management, recharging and energy storage, conversion, and related diagnosis within the vehicle. Advanced driver assistance systems and safety-related components and systems are not considered "propulsion-related parts" for the purpose of this regulation.

"Screened warranty claim" means a valid claim for an adjustment, inspection, repair or replacement of a specific propulsion-related part or battery within the warranty period for which the vehicle manufacturer is invoiced or solicited by a repairing agent for compensation.

"Unscreened warranty claim" means a claim for an adjustment, inspection, repair or replacement of a specific propulsion-related part or battery within the warranty period for which the vehicle manufacturer is invoiced or solicited by a repairing agent for compensation, regardless of validity of claim.

"Warrantable condition" means any condition of a vehicle which triggers the responsibility of the vehicle manufacturer to take corrective action pursuant to this section.

"Warranty period" means the period of time and mileage that the vehicle or part are covered by the warranty provisions. The warranty period shall begin on the date the vehicle is delivered to an ultimate purchaser, or if the vehicle is first placed in service as a "demonstrator" or "company" car prior to delivery, on the date it is first placed in service.

"Warranty station" means a service facility or entity authorized by the vehicle manufacturer to perform warranty repairs. This shall include all of the vehicle manufacturer's franchised dealerships and other entities owned, contracted, or otherwise authorized by the vehicle manufacturer to service the subject vehicles.

"Vehicle manufacturer" means the manufacturer that is granted certification by the Executive Officer for a motor vehicle.

"Vehicle owner" has the same meaning as "owner" as defined in section 460 of the Vehicle Code.

# (c) Warranty Coverage.

- (1) Propulsion-Related Part Warranty. The vehicle manufacturer of each zero-emission vehicle shall warrant to the ultimate purchaser and each subsequent purchaser that the vehicle is:
  - (A) Designed, built, and equipped so as to conform, at the time of initial sale, with all applicable regulations adopted by the California Air Resources Board (CARB) pursuant to its authority in chapters 1 and 2, part 5, division 26 of the Health and Safety Code; and
  - (B) Free from defects in materials and workmanship which cause the failure of a propulsion-related part to be identical in all material respects to the part as described in the vehicle manufacturer's application for certification for a warranty period of 3 years or 50,000 miles, whichever first occurs, and 7 years or 70,000 miles, whichever first occurs, for "high-priced" propulsion-related parts.
- (2) "High-Priced" Propulsion-Related Parts. Each vehicle manufacturer shall identify in its application for certification, per CCR, title 13, section 1962.4, "high-priced" propulsion-related parts which are propulsionrelated parts that the vehicle manufacturer has determined have an individual replacement cost at the time of certification exceeding the cost threshold calculated in accordance with CCR, title 13, sections 2037(c)(2) through (c)(4) for "high-priced warranted parts."
- (3) Battery Warranty. The vehicle manufacturer of each battery electric vehicle and plug-in hybrid electric vehicle shall warrant to the ultimate purchaser and each subsequent purchaser that the vehicle's battery is free from defects in materials and workmanship which cause the deterioration of the battery state of health to be less than 70% for a warranty period of eight years or 100,000 miles, whichever first occurs, for 2026 through 2030 model years, and 75% for a warranty period of eight years or 100,000 miles, whichever first occurs, for 2031 and subsequent model years.
- (4) Subject to the conditions and exclusions of subsection (c)(7), the required warranties shall be interpreted as follows:

- (A) Any propulsion-related part or battery which is not scheduled for replacement as required maintenance in the written instructions required by section (c)(5) shall be warranted for the applicable warranty period defined in subsection (c)(1) or (c)(3). Any such part repaired or replaced under the warranty shall be warranted for the remaining warranty period.
- (B) Any propulsion-related part or battery which is scheduled only for regular inspection in the written instructions required by subsection (c)(5) shall be warranted for the applicable warranty period defined in subsection (c)(1) or (c)(3). A statement in such written instructions to the effect of "repair or replace as necessary" shall not reduce the period of warranty coverage. Any such part required or replaced under warranty shall be warranted for the remaining warranty period.
- (C) Any propulsion-related part or battery which is scheduled for replacement as required maintenance in the written instructions required by subsection (c)(5) shall be warranted for the period of time or mileage, whichever first occurs, prior to the first scheduled replacement point for that part. If the part fails prior to the first scheduled replacement, the part shall be repaired or replaced by the vehicle manufacturer. Any such part required or replaced under warranty shall be warranted for the remainder of the period prior to the first scheduled replacement point for the part.
- (D) Repair or replacement of any propulsion-related part or battery shall be performed at no charge to the vehicle owner at a warranty station, except as provided under CCR, title 13, section 2037, subsection (d)(4). For purposes of this section, the written instructions required by section 2037 subsection (e) and referenced by section 2037 subsection (d)(4) shall refer to the written instructions required in subsection (c)(5) of this section.
- (E) Except as provided for in subsection (c)(4)(D) above, warranty claims and services or repairs shall be accepted and provided by all entities of the vehicle manufacturer's authorized service network.
- (F) The vehicle owner shall not be charged for diagnostic labor which leads to the determination that a propulsion-related part or battery is defective, provided that such diagnostic work is performed at a warranty station.

- (G) The vehicle manufacturer shall be liable for damages to other vehicle components proximately caused by a failure under warranty of any propulsion-related part or battery.
- (H) Throughout the applicable warranty period, the vehicle manufacturer shall supply propulsion-related parts or batteries needed for warranty repairs. The lack of ability to provide such parts or the incompleteness of repairs within a reasonable time period, not to exceed 30 days from the time the vehicle is initially presented to a warranty station for repair, shall qualify for the exception referenced in subsection (c)(4)(D) above.
- (I) The vehicle manufacturer may use any replacement part or nonnew original equipment part (e.g., refurbished, remanufactured) with performance appropriate for the age and mileage of the vehicle in the warranty repairs under this section. Such use shall not reduce the warranty obligations of the vehicle manufacturer, except that the vehicle manufacturer shall not be liable under this article for repair or replacement of any replacement part which is not a propulsion-related part or battery (except as provided under subsection (c)(4)(G) above).
- (J) The vehicle owner may use any replacement part in the performance of any maintenance or repairs. Such use shall not reduce the warranty obligations of the vehicle manufacturer, except that the vehicle manufacturer shall not be liable under this article for repair or replacement of any replacement part which is not a propulsion-related part or battery (except as provided under subsection (c)(4)(G) above).
- (K) The vehicle owner's use of an add-on or modified part exempted by CARB from the prohibitions of Vehicle Code section 27156 for the vehicle may not, solely by its presence or installation on the vehicle, be grounds for the vehicle manufacturer to disallow a warranty claim made in accordance with this article. The vehicle manufacturer shall not be liable under this article to warrant failures of propulsion-related parts or the battery caused by the use of such an add-on or modified part.

- (L) The Executive Officer shall request any documents the vehicle manufacturer provides or otherwise makes available to vehicle owners or to entities in its authorized service network which describe the vehicle manufacturer's warranty procedures or policies that the Executive Officer finds reasonably necessary to verify compliance with the requirements of this section. The vehicle manufacturer shall provide the documents within 30 days of the request.
- (5) Each vehicle manufacturer shall furnish, with each new vehicle, written instructions for the maintenance and use of the vehicle by the owner. The instructions shall be consistent with the requirements of this article for the proper operation, maintenance, repair, and warranty coverage of the manufacturer's vehicles.
- (6) Each vehicle manufacturer shall furnish, with each new vehicle, a list of the "high-priced" propulsion-related parts as calculated under subsection (c)(2) of this section.
- (7) Exclusions. The repair or replacement of any propulsion-related part or battery otherwise eligible for warranty coverage shall be excluded from such warranty coverage if the vehicle manufacturer demonstrates that the vehicle has been abused, neglected, or improperly maintained, and that such abuse, neglect, or improper maintenance was the direct cause of the need for the repair or replacement of the part.
- (d) Zero Emission Vehicle (ZEV) Warranty Information Reports
  - (1) The vehicle manufacturer must review warranty claims and file ZEV warranty information reports (ZWIR) in accordance with this subsection for the applicable warranty period of time.
  - (2) A vehicle manufacturer shall:
    - (A) Review warranty claim records for each test group on a quarterly basis to determine and compile by cumulative total the number of claims made for propulsion-related parts and batteries. The data compiled shall be based on all warranty claims, without any prescreening of data as to the validity of the claims.
    - (B) Categorize warranty claims for each test group by the specific component replaced or repaired.

- (C) Submit a ZWIR to the Executive Officer, meeting the requirements below, if the cumulative number of unscreened warranty claims for a specific propulsion-related part or battery, or a repair of such parts, represent at least 2 percent or 50 in number (whichever is greater) of the vehicles of a California-certified test group.
- (3) The ZWIR shall contain the following information in substantially the format outlined below:
  - (A) The vehicle manufacturer's corporate name.
  - (B) A description of each class of California-certified vehicles affected by a warranty replacement or warranty repair of a specific propulsion-related part or battery, including model year and test group.
  - (C) The number and percentage of vehicles in each test group for which a warranty replacement or warranty repair of a specific propulsion-related part or battery was identified.
  - (D) A short description of the specific propulsion-related part or battery that was replaced or repaired under warranty.
- (4) ZWIRs shall be submitted not more than 25 days after the close of a calendar quarter. Subsequent to the filing of a ZWIR for a test group, a vehicle manufacturer shall submit quarterly reports through the remainder of the applicable warranty period for the specific propulsion-related parts or battery that are the subject of the ZWIR. The quarterly reports must update the number and percentage of warranty claims with the most recent information for that test group. ZWIRs and report updates shall be submitted to the Executive Officer in accordance with subsection (m).
- (e) Zero Emission Vehicle (ZEV) Field Information Reports

- (1) On the basis of data obtained and reported pursuant to subsection (d) for ZWIRs, a vehicle manufacturer shall file a ZEV field information report (ZFIR) not more than 45 days after the ZWIR indicates that a cumulative total of unscreened warranty claims for a specific propulsion-related part or battery in a test group exceeds 6 percent or 75 in number (whichever is greater), unless the vehicle manufacturer has notified the Executive Officer of its intent to perform a corrective action. The vehicle manufacturer must submit a remedial action plan to the Executive Officer for review and approval in accordance with CCR, title 13, section 1962.7 within 45 days of its notice of intent to perform such corrective action.
- (2) All ZFIRs shall be submitted to the Executive Officer and shall contain the following information in substantially the order below:
  - (A) The vehicle manufacturer's corporate name.
  - (B) A ZFIR number assigned by the vehicle manufacturer which shall be used in all related correspondence.
  - (C) A description of each class or category of California-certified vehicles affected including make, model, model year, test group and other information needed to distinguish the vehicles affected from the vehicle manufacturer's unaffected vehicles.
  - (D) A description of the specific propulsion-related part or battery that failed or was replaced or repaired under warranty, the failure, and the probable cause of the failure.
  - (E) The number and percentage of vehicles in each test group for which a failure of the specific propulsion-related part or battery was identified.
  - (F) The total number and percentage of unscreened warranty claims and failures of the specific propulsion-related part or battery projected to occur during the test group's useful life and a description of the method used to project this number.
  - (G) An estimated date when the failure of a specific component will reach the levels specified in subsection (f)(1)(A).

- (3) Subsequent to the filing of a ZFIR for a test group, a vehicle manufacturer shall submit quarterly reports through the remainder of the applicable warranty period for the specific propulsion-related parts or battery that are the subject of the ZFIR that utilize the most recent information for the test group. The quarterly reports must update the number and percentage of unscreened warranty claims and estimated actual failures consistent with the findings of (e)(2)(E). ZFIR report updates shall be submitted to the Executive Officer in accordance with subsection (m).
- (f) Zero Emission Vehicle (ZEV) Information Reports
  - (1) A vehicle manufacturer shall file a ZEV information report (ZIR):
    - (A) Within 90 days after a ZFIR or subsequent report update submitted in accordance with subsection (e) indicates that a cumulative total of failures for a specific propulsion-related part or battery in a test group exceeds 6 percent or 75 in number, whichever is greater.
    - (B) Within 45 days after the Executive Officer, with cause, requires such a report. For purposes of this section, "cause" shall be based upon information in CARB's possession from any source indicating the occurrence of a failure that may necessitate a corrective action per subsection (g).
  - (2) No ZIR shall be required if a vehicle manufacturer has committed to perform a correction action, per CCR, title 13, section 1962.7, by notifying the Executive Officer after the failure of a propulsion-related part or battery exceeds the percentage specified in subsection (e). A remedial action plan, per CCR, title 13, section 1962.7, shall be submitted to the Executive Officer within 45 days of the vehicle manufacturer's notification of intent to perform a corrective action.
  - (3) All ZIRs shall be submitted to the Executive Officer and shall contain the following information in substantially the order below.
    - (A) The vehicle manufacturer's corporate name;
    - (B) The ZFIR number from which the failure was first reported, if applicable;

- A description of each class or category of California-certified vehicles affected by the failure including make, model, model year, test group, and such other information needed to distinguish the vehicles affected from the vehicle manufacturer's unaffected vehicles;
- (D) A description of the propulsion-related part or battery that failed, the failure and the probable cause of failure;
- (E) A description of any drivability problems or impact on other vehicle performance factors likely to result from the failure; and
- (F) A description of the adverse effects, if any, that an uncorrected failure would have on the all-electric range, performance, durability, safety, battery state of health, or to the function of other components over the useful life of the affected vehicles.
- (g) Finding of Nonconformance.
  - (1) A test group or a subgroup of a test group shall be subject to corrective action up to and including recall when the number of failures of a specific propulsion-related part or battery exceeds 8 percent of the test group or subgroup of the test group or 100 in number (whichever is greater), unless the Executive Officer determines from the ZIR submitted per subsection (f) that corrective action is unnecessary pursuant to the criteria set forth in subsection (g)(2).
  - Once the ZIR is filed, the Executive Officer shall evaluate the failure to determine whether corrective action including recall is unnecessary. Factors to be considered shall include:
    - (A) the validity of the data included in the ZIR;
    - (B) the impact on range, durability, battery state of health, and vehicle performance of the failure on individual vehicles;
    - (C) the expected failure rates and the timing and extent of a remedy if no recall is required; and
    - (D) any other information indicating that corrective action is unnecessary.

- (3) Notwithstanding subsection (g)(2), a recall shall not be required if the vehicle manufacturer submits evidence with the ZIR establishing that the failure:
  - (A) Is limited to an early life issue whereby the majority of the failures are happening in the first half of the applicable warranty time period (e.g., 18 months for a 3-year warranty) and the rate of new failures is decreasing with time, indicating that the failure is not representative of a defect that is expected to increase with accrual of vehicle miles; and
  - (B) Is, by nature of the impact of the failure on vehicle drivability, performance, or capability and by the indications of the presence of the failure to the vehicle owner, likely to be identified by the vehicle owner and brought to a warranty station to be corrected during the applicable warranty term.
- (4) If a vehicle manufacturer submits evidence to CARB with the ZIR establishing that a failure is limited to a subgroup of a test group, the Executive Officer shall approve limiting corrective action to that subgroup in its determination of nonconformance.
- (5) Upon making a determination of nonconformance, the Executive Officer shall notify the vehicle manufacturer in writing in accordance with CCR, title 13, section 1962.7(e)(6) and the vehicle manufacturer shall be subject to the provisions of CCR, title 13, 1962.7(e)(6), (f), (g), and (h), as applicable, for submittal and approval of a remedial action plan.
- (h) Alternative Procedures.
  - (1) A vehicle manufacturer may submit a request to the Executive Officer for approval to use an alternative procedure to those specified in subsections (d), (e), and (f) for tracking, analyzing, and reporting warranty claims. The Executive Officer shall approve use of an alternative procedure in writing within 30 days of the request if the manufacturer demonstrates the alternative procedure will:
    - (A) ensure detection of failing components during the applicable warranty term with a timeliness similar to the procedures in subsections (d), (e), and (f);
    - (B) accurately track failing components by test group;

- (C) notify the Executive Officer when a systematically failing component is indicated within a similar timeframe for such notification to occur under the procedures in subsections (d), (e), and (f);
- (D) provide objective, complete, and easily monitored data; and
- (E) is available for audit by the Executive Officer to verify the accuracy of the reported information to a similar degree as the procedures in subsections (d), (e), and (f).
- (2) A vehicle manufacturer may submit a request to the Executive Officer for approval to use warranty claim data from a sampling of representative California warranty stations in lieu of using data from all California warranty stations to comply with the requirements of subsection (d), (e), or (f) above. The Executive Officer shall approve such use in writing within 30 days of the request if the manufacturer demonstrates that the sampling will yield results representative of the vehicle manufacturer's total California warranty stations and does not, by design, exclude or include specific warranty stations in an attempt to collect data only from warranty stations with lower warranty rates.
- (i) California ZEV Warranty Statement. The vehicle manufacturer shall furnish a copy of the following statement with each new vehicle:

# CALIFORNIA WARRANTY STATEMENT YOUR WARRANTY RIGHTS AND OBLIGATIONS

The California Air Resources Board [and manufacturer's name, optional] is[/are] pleased to explain the zero emission vehicle warranty on your [year] vehicle. In California, new zero emission vehicles must be designed and built in accordance with State regulations. [Manufacturer's name] must provide warranty coverage for the propulsion-related parts on your vehicle, including the high voltage battery, for the periods of time listed below, provided there has been no abuse, neglect or improper maintenance of your vehicle.

Your propulsion-related parts may include parts such as the electric drive motor, inverter, high voltage battery, onboard charger, and associated electronic control units, wiring, and sensors. Where a condition covered by the warranty exists, [manufacturer's name] will repair your vehicle at no cost to you including diagnosis, parts, and labor.

MANUFACTURER'S WARRANTY COVERAGE:

- For 3 years or 50,000 miles [or a longer period of time or mileage, optional] (whichever first occurs):

If any propulsion-related part on your vehicle is defective, the part will be repaired or replaced by [manufacturer's name]. This is your short-term defects warranty.

- For 7 years or 70,000 miles [or a longer period of time or mileage, optional] (whichever first occurs):

If any propulsion-related part listed in this warranty booklet specifically noted with coverage for 7 years or 70,000 miles is defective, the part will be repaired or replaced by [manufacturer's name]. This is your long-term defects warranty.

- For 8 years or 100,000 miles [or a longer period of time or mileage, optional] (whichever first occurs):

If any high voltage battery is defective, the part will be repaired or replaced by [manufacturer's name]. This is your high voltage battery warranty.

# OWNER'S WARRANTY RESPONSIBILITIES:

- As the vehicle owner, you are responsible for the performance of the required maintenance listed in your owner's manual. [Manufacturer's name] recommends that you retain all receipts covering maintenance on your vehicle, but [manufacturer's name] cannot deny warranty coverage solely for the lack of receipts or for your failure to ensure the performance of all scheduled maintenance.

- You are responsible for presenting your vehicle to a [manufacturer's name] authorized warranty facility as soon as a problem exists. The warranty repairs should be completed in a reasonable amount of time, no longer than 30 days.

- As the vehicle owner, you should also be aware that [manufacturer's name] may deny you warranty coverage if your vehicle or a part has failed due to abuse, neglect, improper maintenance, or unapproved modifications.

If you have any questions regarding your warranty rights and responsibilities, you should contact [manufacturer's designated contact and contact's phone number and/or email address] or the California Air Resources Board at 1-800-242-4450 or helpline@arb.ca.gov.

- (j) Records. The records described in subsection (d)(2)(A), or if applicable, the records used under the alternative procedure described in subsection (h), and any records related to the analysis or findings in subsections (e)(2)(D), (e)(2)(E), or (f)(3)(D) shall be retained by the vehicle manufacturer for a period of no less than two years after the applicable warranty has expired. The Executive Officer shall request the records as necessary to verify the vehicle manufacturer's analysis. The vehicle manufacturer shall make the records available to the Executive Officer within 30 days of such request.
- (k) Vehicle Owner Obligations.
  - (1) Vehicle warranties required under this section may require that the vehicle owner shall be responsible to ensure performance of the scheduled maintenance specified in the written instructions that the vehicle manufacturer furnishes to the vehicle owner pursuant to subsection (c)(5). Such maintenance may be performed by the owner, at a service establishment of the owner's choosing, or by a person or persons of the owner's choosing.
  - (2) Failure of the vehicle owner to ensure the performance of scheduled maintenance or to keep maintenance records shall not, in and of itself, be grounds under the terms of the warranty for disallowing a warranty claim.
- (I) Mediation and Finding of Warrantable Condition. A vehicle owner may contact CARB at 1-800-242-4450 or helpline@arb.ca.gov to request that the Executive Officer mediate an unresolved warranty dispute between the vehicle owner and the vehicle manufacturer or a warranty station, under the provisions of CCR, title 13, section 2041. For purposes of this section, the term "emissions warranty" in section 2041 shall refer to the warranty required under this section.
- (m) Electronic submittal. Unless otherwise specified, reports, documentation, and requests under this section must be provided to CARB through the electronic Document Management System available through the website: https://arb.ca.gov/certification-document-management-system.
- (n) Severability. Each provision of this section is severable, and in the event that any provision of this section is held to be invalid, the remainder of this article remains in full force and effect.

Note: Authority cited: Sections 38510, 38560, 39003, 39600, 39601, 39602.5, 43006, 43013, 43018, 43018.5, 43101, 43106, 43205, 43210.5, and 43600, Health and Safety Code. Reference: Sections 39002, 39039, 39601, 39602.5, 43006, 43013, 43018, 43101, 43106, 43205, and 43210.5, Health and Safety Code.