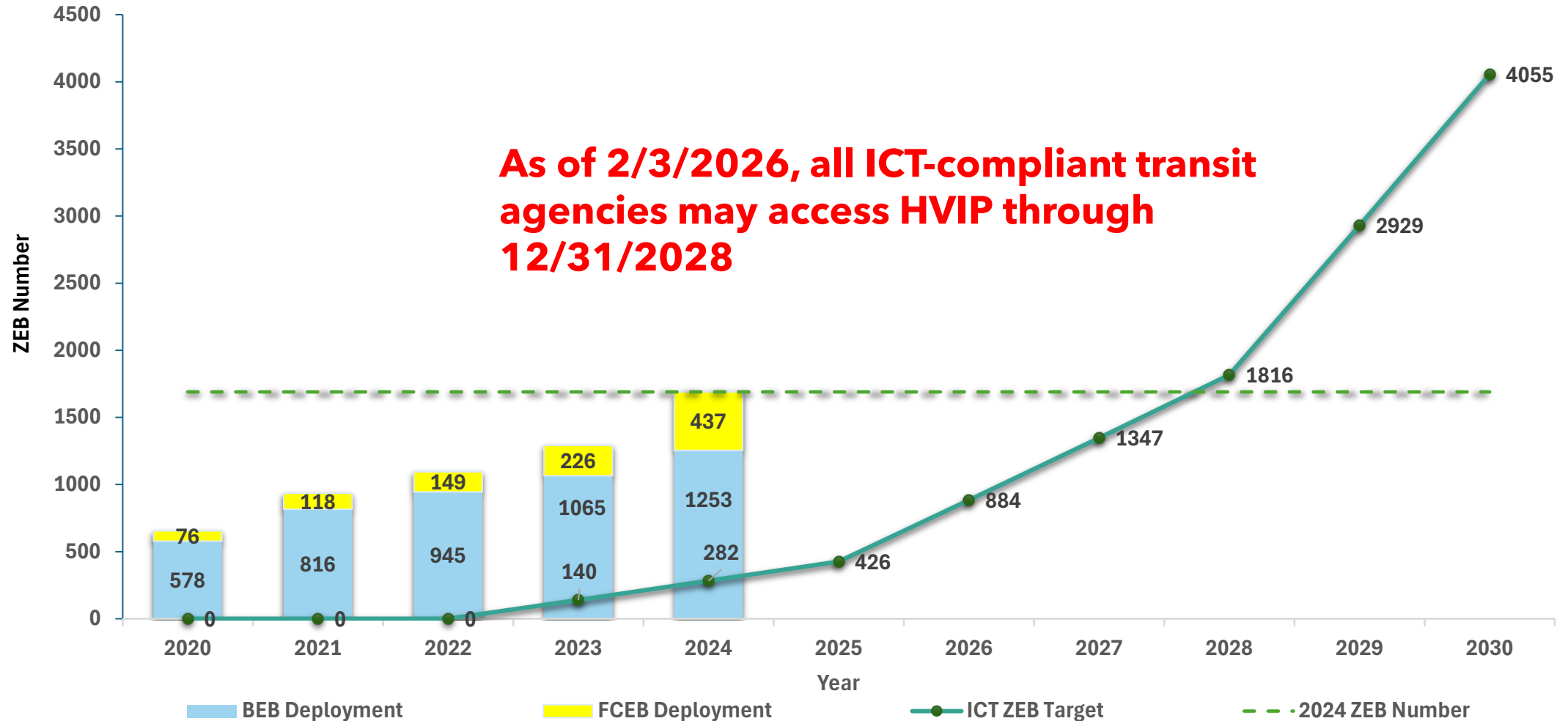




ICT Exemptions and How to Use them

February 13, 2026

Cumulative ZEB Deployment (in service or on order) in California as of December 31, 2024



Phase II Comprehensive Review on 2026-2028 Program Readiness

- Standard and articulated ZEB are more advanced and could meet near-term deployment purposes
- Class 4 cutaway, over-the-road motorcoach, and double decker ZEB technologies need more time to develop long-range models
- Classes 5 and 6 cutaway buses don't have an Altoona tested or commercialized ZEB model

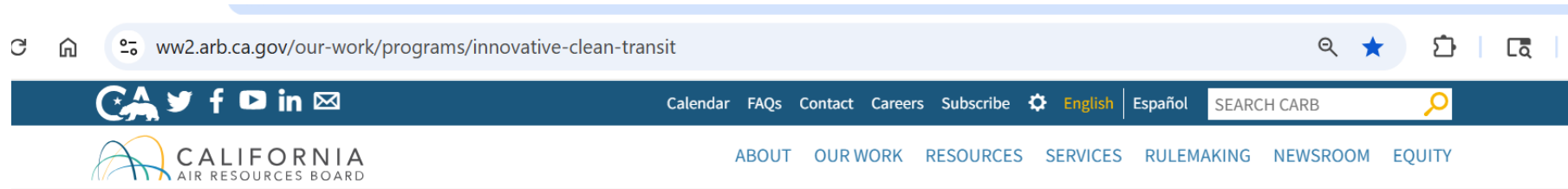
Implementation Goals for 2026-2028

- Provide market certainty and keep ZEB purchase momentum
- Ensure emissions reduction benefit and protect public health
- Safeguard transit operation
- Position the state for maximum ZEB deployment

ICT Exemption Website and Templates

- <https://ww2.arb.ca.gov/our-work/programs/innovative-clean-transit/ict-regulation-exemptions>
- Classes 5 and 6 cutaway buses are not phased in for 2026-2028 and don't need exemptions
- All exemption applications should be sent electronically to ict@arb.ca.gov
- All exemption requests and approval are bus-type specific
- Each exemption approval is good for one calendar year
- Use only one exemption reason for each vehicle
- Streamlined application templates to reduce administrative burden
 - Template 4.1 (unavailability for class 4 cutaway, over-the-road, double decker buses)
 - Template 5 (financial hardship)

ICT Website



Innovative Clean Transit

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[ICT Regulation Exemptions](#)

[Omnibus Regulation Transit Exemption](#)

CARB's heavy-duty vehicle legacy programs have been focused on reducing combustion emissions. New heavy-duty zero-emission vehicle programs are complementary to these programs and focus on the long-term goal of reducing emissions in the heavy-duty transportation sector. They are part of California's holistic plan to address challenging mandates and needs for public health protection, and to meet federal air quality standards and climate protection goals.

[MORE ABOUT THIS PROGRAM >](#)

GENERATION ZERO

Join transit agency peers from across California for a hands-on, operationally focused ride-and-drive event exploring battery electric and hydrogen fuel cell bus technology.

[REGISTER](#)

OCTA Santa Ana Base
Santa Ana, CA
Saturday, February 28, 2026, 9 a.m. - 3 p.m.
Space is limited | Register by February 25, 2026.

[ca.gov/our-work/programs/innovative-clean-transit/reporting-tool-data](https://ww2.arb.ca.gov/our-work/programs/innovative-clean-transit/reporting-tool-data)

ICT Regulation Exemptions Website

ICT Regulation Exemptions

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To ensure transit service is not adversely impacted, the ICT regulation includes exemptions to address circumstances that are beyond a transit agency's control. Transit agencies may request an exemption from the zero-emission bus requirements. The Executive Officer will grant an exemption upon request if the specified criteria are met. To simplify the exemption application process, transit agencies are strongly encouraged to use the following templates for applicable exemptions.

- [Template 1: When delay in bus delivery is caused by setback of construction of infrastructure needed for the zero-emission bus. \(coming soon\)](#)
- [Template 2: When available zero-emission buses cannot meet a transit agency's daily mileage needs. \(coming soon\)](#)
- [Template 3: When available zero-emission buses do not have adequate gradeability performance to meet the transit agency's daily needs for any bus in its fleet. \(coming soon\)](#)
- [Template 4: When a required zero-emission bus type for the applicable weight class based on gross vehicle weight rating \(GVWR\) is unavailable for purchase.](#)
 - [Template 4.1: Zero-Emission Bus Unavailability Based on the Comprehensive Review Results for the Calendar Years 2026 Through 2028. For purchases of Class 4 cutaway, over-the-road motor coaches, and double-decker buses.](#)
 - [Template 4.2: Zero-Emission Bus Unavailability. For purchases of standard and articulated buses.](#)
- [Template 5: Financial Hardship.](#)
 - [Sample letter](#)

Please send inquiries or exemption application to ict@arb.ca.gov.

Template 4.1 Zero-Emission Bus Unavailability Based on the Comprehensive Review Results for the Calendar Years 2026 Through 2028

(For purchases of Class 4 cutaway, over-the-road motor coaches, and double-decker buses)

Exemption Application for the Innovative Clean Transit Zero-Emission Bus Purchase Requirements

Template 4.1: Zero-Emission Bus Unavailability Based on the Comprehensive Review Results for the Calendar Years 2026 Through 2028

Disclaimer: Transit agencies wishing to request an exemption due to Zero-Emission Bus Unavailability reasons are encouraged, but not required, to use this application template for an easier, streamlined process. This template does not replace the [ICT regulation text](#) which takes precedence in all instances.

This exemption can be used when a transit agency plans to purchase cutaway class 4, over-the-road, and double-decker buses during the calendar years 2026 through 2028.¹ The exemption is based on the results of the [Phase II of the Comprehensive Review](#).

The Comprehensive Review examined numerous factors including cost and funding, technology reliability and availability, infrastructure readiness, funding availability, market readiness, zero-emission bus deployment barriers, and others. The Phase II analysis of this review focuses on the program readiness for years 2026-2028. The review has concluded that the zero-emission bus market and technology for cutaway, over-the-road, and double-decker buses are not ready in the near term.

Please follow the instructions below when using this exemption application. A complete application must be submitted by November 30 of each calendar year. A transit agency may purchase conventional internal combustion engine buses instead of zero-emission buses once the exemption request is granted. Please submit your complete application to the Innovative Clean Transit team at ICT@arb.ca.gov.

Section I. Transit Contact Information

Provide the contact information of the responsible official. Add more contact(s) if needed.

Calendar year for the request: _____
 Contact person name: _____
 Contact person title: _____
 Contact person email: _____
 Contact person phone number: _____
 Transit agency name: _____
 Mailing address: _____

¹ Cutaway class 4 has gross vehicle weight rating of 14,001-16,000 lbs.

Section II. Exemption Option for Unavailability of Zero-Emission Buses Based on Comprehensive Review Results

Title 13 of the California Code of Regulations, section 20233.4(c)(4), provides an exemption from the zero-emission bus purchase requirements when a required zero-emission bus type, for the applicable weight class based on gross vehicle weight rating, is not available for purchase. Phase II of the Comprehensive Review concluded that the zero-emission bus market and associated technologies for cutaway, over-the-road, and double-decker buses have not been sufficiently developed. The limited number of available models of these bus types does not meet the operational and performance needs for transit agencies. Based on these findings, California Air Resources Board (CARB) considers these bus types unavailable for purchase in the near term.

Transit agencies that are planning to purchase class 4 cutaway, over-the-road, and double-decker buses during calendar years 2026 through 2028 may use this exemption. Exemptions are granted on an annual basis. Transit agencies may submit the request annually or a three-year purchase plan with an annual update to receive an annual exemption, provided they comply with all other requirements set forth in the Innovative Clean Transit (ICT) Regulation. This exemption does not affect the validity or enforceability of any requirements under the ICT Regulation.

Transit agencies wishing to use this exemption must report all annual bus purchases and maintain an up-to-date bus inventory in the [Innovative Clean Transit Reporting Tool \(ICTRT\)](#). Transit agencies are responsible for ensuring that reported information remains accurate throughout the entire exemption period. If CARB determines that the exemption was granted based on incomplete, inaccurate information, or that the transit agency failed to fully and accurately report its annual purchases, the exemption may be revoked. A revoked exemption will be treated as a failure to comply with the zero-emission bus requirements set forth in section 20233.1. CARB reserves the right to request supplemental information or documentation.

Please check the boxes next to each statement below to request an exemption from the zero-emission bus purchase requirements and to confirm understanding of the applicable conditions and obligations.

- I request an exemption from the zero-emission bus purchase requirements of the Innovative Clean Transit regulation for the purchase of zero-emission class 4 cutaway, over-the-road, and double-decker buses due to unavailability of zero-emission bus based on Phase II of the Comprehensive Review results.
- I understand that I must report all annual bus purchases and deliveries before the annual reporting deadline, as well as maintain a complete and up-to-date bus inventory throughout the exemption period. All reporting must be submitted through the Innovative Clean Transit Reporting Tool.
- I understand that I must provide an annual update to my three-year bus purchase plan, if I plan to have multi-year purchases. No bus purchase plan is needed if the exemption request is only for a single year.

Template 4.2 Zero-Emission Bus Unavailability (For purchases of standard and articulated buses)

Exemption Application for the Innovative Clean Transit Zero-Emission Bus Purchase Requirements

Template 4.2: Zero-Emission Bus Unavailability

Applicable for the purchase of standard and articulated buses

Disclaimer: Transit agencies wishing to request an exemption due to Zero-Emission Bus Unavailability reasons are encouraged, but not required, to use this application template for an easier, streamlined process. This template does not replace the [ICT regulatory text](#), which takes precedence in all instances.

The Zero-Emission Bus Unavailability exemption is applicable for the purchase of standard and articulated buses. This exemption can be exercised on an annual basis when a required zero-emission bus type for the applicable weight class based on gross vehicle weight rating is unavailable for purchase.

Transit agencies that are planning to purchase zero-emission cutaway class 4, over-the-road, and double-decker buses during the calendar years 2026 through 2028 may use "Template 4.1: Zero-Emission Bus Unavailability Based on the Comprehensive Review Results". This exemption option along with others are available on the [Innovative Clean Transit Exemptions](#) page.

Please follow the instructions in Sections I and II when using this exemption application. The complete application for exemption from a particular calendar year's compliance obligation must be submitted by November 30 of that calendar year. Each granted exemption is only valid for one compliance year. Transit agencies can request exemption in a later year again if needed. A transit agency may purchase conventional internal combustion engine buses instead of zero-emission buses once the exemption request is granted. Please submit your complete application to the Innovative Clean Transit team at ICT@arb.ca.gov.

Section I. Transit Contact Information

Provide the contact information of the responsible official. Add more contact(s) if needed.

Calendar year for the request: _____
 Contact person name: _____
 Contact person title: _____
 Contact person email: _____
 Contact person phone number: _____
 Transit agency name: _____
 Mailing address: _____

Section II. Exemptions for Unavailability of Zero-Emission Buses

Transit agencies wishing to use this exemption must report all annual bus purchases and maintain an up-to-date bus inventory in the [Innovative Clean Transit Reporting Tool \(ICTRT\)](#). Transit agencies are responsible for ensuring that reported information remains accurate throughout the entire exemption period. If California Air Resources Board (CARB) determines that the exemption was granted based on incomplete, inaccurate information, or that the transit agency failed to fully and accurately report its annual purchases, the exemption may be revoked. A revoked exemption will be treated as a failure to comply with the zero-emission bus requirements set forth in section 2023.1. CARB reserves the right to request supplemental information or documentation.

Please identify which circumstance is applicable to your transit agency and provide all required documentation/information relevant to the applicable circumstance. An exemption request will not be considered complete if any of the required documentation or information is missing.

Table 1: Annual quantity of planned new bus purchases and exemption requests

Annual Quantity of Planned New Bus Purchases per Fuel Type	Standard	Articulated
Battery electric bus		
Fuel cell electric bus		
Internal combustion engine bus		
Total planned new bus purchases (without Exemption)		
Annual Exemption Quantity per Fuel Type		
Exemption quantity for battery electric bus		
Exemption quantity for fuel cell electric bus		
Total exemption quantity		

Condition 1: The zero-emission bus has not passed the complete Bus Testing and not obtained a Bus Testing Report (13 California Code of Regulations (CCR) § 2023.4(c)(4)(B)1.).¹ Please provide the following documentation or information:

1. Complete Table 1. (13 CCR §2023.4(c)(4)(C)1.)

Condition 2: The zero-emission bus cannot be configured to meet applicable requirements of the Americans with Disabilities Act (ADA) (13 CCR § 2023.4(c)(4)(B)2.). Please provide the following documentation or information:

1. Complete Table 1.
2. Provide documentation to show what ADA requirements cannot be met; and

¹ The Innovative Clean Transit regulation defines the "Bus Testing Report" as the complete test report for a bus model required by title 49 of the Code of Federal Regulations (CFR) section 665.13. These bus tests are also commonly called "Altoona Testing" (13 CCR § 2023(b)(8)).

3. Provide explanation of why the manufacturer cannot meet the requirements by submitting information from the manufacturer (13 CCR § 2023.4(c)(4)(C)3.).²

Condition 3: The physical characteristics of the zero-emission bus would result in a transit agency violating any federal, state, or local laws, regulations, or ordinances (13 CCR §2023.4(c)(4)(B)3.). Please provide the following documentation or information:

1. Complete Table 1.
2. Provide a letter from transit agency's governing body that includes **all** the following information (13 CCR § 2023.4(c)(4)(C)4.):
 - a) All relevant citations to the regulatory code sections that the zero-emission bus may violate.
 - b) Explanation of how the physical characteristics of the zero-emission bus would violate federal, state, or local law, regulation, or ordinance; and
 - c) How the violation would be avoided with the purchase of a combustion engine bus of the same type.³

² Information may include but is not limited to providing a citation of the ADA requirements that cannot be met and vehicle specification or brochures for the specific bus type and weight class that explain the issues.

³ Here are two examples of how a transit agency can use this provision:

- a) A transit agency has only one zero-emission bus option (i.e. for purchase of zero-emission double-decker bus that has passed the Altoona testing), but because of the National Defense Authorization Act for Fiscal Year 2020, the transit agency cannot enter into a new purchase contract by using the Federal Transit Administration grants.
- b) A long-range battery electric bus is the only zero-emission bus purchase option, and it violates the curb weight limitation on any axle of the transit bus.

Template 5 Financial Hardship

Exemption Application for the Innovative Clean Transit Zero-Emission Bus Purchase Requirements

Template 5: Financial Hardship

Disclaimer: Transit agencies wishing to request an exemption due to financial hardship reasons are encouraged, but not required, to use this application template for an easier, streamlined process. This template does not replace the ICT regulatory text, which takes precedence in all instances.

The Financial Hardship exemption can be exercised on an annual basis when a required zero-emission bus type cannot be purchased by a transit agency due to financial hardship.

Please follow the instructions in Sections I and II when using this exemption application. The complete exemption application from a particular calendar year's compliance obligation must be submitted by November 30 of that calendar year. Transit agencies must submit the request annually, but a three-year purchase plan is encouraged to facilitate the review of future exemptions. All requests must comply with all other requirements set forth in the Innovative Clean Transit (ICT) Regulation. This exemption does not affect the validity or enforceability of any requirements under the ICT Regulation. Each granted exemption is only valid for one compliance year. Transit agencies can request exemption in a later year again if needed. A transit agency may purchase conventional internal combustion engine buses instead of zero-emission buses once the exemption request is granted. Please submit a complete application to the Innovative Clean Transit team at ICT@arb.ca.gov. More exemption options are available on the [Innovative Clean Transit-Exemptions](#) page.

Section I. Transit Contact Information

Provide the contact information of the responsible official. Add more contact(s) if needed.

Calendar year for the request: _____
 Contact person name: _____
 Contact person title: _____
 Contact person email: _____
 Contact person phone number: _____
 Transit agency name: _____
 Mailing address: _____

Section II. Exemption due to financial hardship

Please identify which circumstance is applicable to your transit agency and provide all required documentation/information relevant to the applicable circumstance. An exemption request will not be considered complete if any of the required documentation or information is missing.

Please use Table 1 to list purchases of new buses in the requesting calendar year.

Table 1: Annual quantity of planned new bus purchases and exemption requests

Annual Quantity of Planned New Bus Purchases per Fuel Type	Standard	Articulated	Cutaway	Over-the-Road	Double Decker
Battery electric bus					
Fuel cell electric bus					
Conventional bus with internal combustion engine					
Total planned new bus purchases (without Exemption)					
Annual Exemption Quantity per Fuel Type					
Exemption quantity for battery electric bus					
Exemption quantity for fuel cell electric bus					
Total exemption quantity					

Condition 1: Declaration of a fiscal emergency. Please provide all the following documentation [13 California Code of Regulations (CCR) § 2023.4(c)(5)(A)]:

1. Complete Table 1.
2. A copy of the resolution by the transit agency's governing body declaring a fiscal emergency following a public hearing.

Condition 2: Inability to offset the incremental cost of purchasing ZEBs. Please provide all the following documentation [13 CCR § 2023.4(c)(5)(B)]:

1. Complete Table 1. Transit agencies planning multi-year bus purchases may submit a two- or three-year purchase plan covering calendar years 2026-2028 to facilitate the review of future exemption requests. The final year of any multi-year purchase plan must be the calendar year 2028 to reflect the transit agency's near-term planning and the findings from Phase 2 of the Comprehensive Review regarding the higher incremental costs associated with purchase of zero-emission buses and the associated infrastructure.

I acknowledge that transit agencies planning multi-year bus purchases are required to provide an annual update to the multi-year bus purchase plan. For a multi-year bus purchase plan, Table 1 should be copied and appended to the end of this template for years 2 and 3. A bus purchase plan is not required if the exemption request is only for a single year.

I acknowledge that all annual bus purchases and deliveries must be reported prior to the annual reporting deadline. The transit agency is responsible for maintaining a complete and current bus inventory. All reporting must be submitted through the Innovative Clean Transit Reporting Tool.

2. A letter from the transit agency's governing body declaring the transit agency, in good faith, applied for all available funding and financing options in order to offset the higher capital cost of zero-emission buses and the associated infrastructure.^{1,2} Transit agencies planning a multi-year bus purchase for calendar years 2026-2028 may submit a single letter, provided the transit agency funding conditions and financial circumstances remain unchanged throughout this period.

I acknowledge that my transit agency's funding sources and financial circumstances remain consistent with those described in the original application submission year.

3. Documentation demonstrating that the transit agency has been denied financing, or that financing options are not available.

Please check this box if financing is not an allowable or approved practice for your transit agency.

4. Documentation demonstrating that the transit agency is unable to offset the incremental costs of purchasing available zero-emission buses and/or related infrastructure when compared to the cost of the same type of conventional buses. For 2026-2027, transit agencies may provide their own calculation of the incremental cost of purchasing zero-emission buses and the related infrastructure or use the following incremental cost benchmarks:

- Battery electric buses: \$512,000 (compared to compressed natural gas (CNG)) and \$562,000 (compared to diesel, excluding diesel hybrid) buses; and
- Fuel cell electric buses: \$972,000 (compared to CNG) and \$1,022,000 (compared to diesel, excluding diesel hybrid) buses.
- A stationary liquid hydrogen storage and dispensing station: \$11,000,000 (assuming no new CNG or diesel infrastructure are built).
- Long-term annualized hydrogen station maintenance cost to ensure station operation and safety: \$300,000 (assuming neglectable cost for maintaining CNG and diesel stations).³

¹ A sample letter is provided on the [ICT Exemption Reporting](#) webpage.

² Zero-emission bus infrastructure includes charging stations, hydrogen stations, and maintenance facilities [13 CCR § 2023.4(c)(1)(A)].

³ CARB staff uses average bus prices from reliable sources, including the base bus prices provided by bus manufacturers to the Clean Truck and Bus Voucher Incentive Project (HVIP) or the [Innovative Clean Transit bus purchase](#) to determine the incremental cost of purchasing zero-emission buses compared to the conventional counterparts. Transit agencies may provide the most recent price based on bids for their planned bus purchases provided by bus manufacturers. Similarly, a transit agency could provide the incremental cost for the zero-emission bus associated infrastructure.

Note: Supporting documentation may include, but is not limited to the following:

- a. The transit agency's proposed or approved annual budget to its Board or governing body for purchasing buses providing all funding and financing options are utilized.

California Air Resources Board (CARB) reserves the right to request additional or supplemental information as necessary.

Condition 3: Inability to offset the managed, net electricity cost for depot charging battery electric buses. Please provide the following documentation [13 CCR § 2023.4(c)(5)(A)]:

1. Complete Table 1.
2. Documentation demonstrating that the transit agency cannot offset the managed, net electricity cost for depot-charging battery electric buses compared to the fuel cost of the same type of conventional buses. Transit agencies may consider using the following calculations to demonstrate the results:
 - a. Managed electricity cost per mile (\$/mile) to operate a depot-charging battery electric bus when incentives like Low Carbon Fuel Standard (LCFS), Renewable Identification Numbers (RIN), fuel tax rebates or credits (like federal fuel tax credits, alternative fuel credits, and renewable diesel incentives) are factored in. The transit agency should use managed charging to minimize charging cost.
 - b. Baseline bus fuel cost per mile (\$/mile) when incentives like LCFS, RIN, fuel tax rebates or credits, etc. are factored in.
 - c. Compare the electricity cost for depot charging battery electric buses to the fuel cost of the same type of conventional buses.

How to Transition into 2026-2028

- Identify the quantity of remaining compliance instruments
 - Bonus credits will expire starting 2029
 - Delivered ZEBs that have not been used in meeting a compliance obligation
- Compliance obligation calculation
- Transit agencies are welcome to set up a meeting with CARB to
 - Confirm the compliance instruments number
 - Calculate upcoming compliance obligation
 - Identify a doable path forward

ICT Regional Liaisons and Contacts

- General email account: ict@arb.ca.gov

Regions/Subjects	Liaison
North state	Julie Cooper
Bay Area and hybrid bus	Shirin Barfjani (ICT Lead Staff)
Sacramento/Central Costal region	Siamak Asnaashari
Central Valley	Dr. Jing Guo
Southern California and utilities	Dr. Sulekha Chattopadhyay
Other CARB heavy-duty vehicle programs	Andrew Reyes
General inquiries and ICT email	Yasar Iqbal

Additional Technical and Support

- [Generation Zero](#): Interactive ZEB Experience event
 - Saturday, February 28, 2026
 - OCTA Santa Ana Base
4301 W MacArthur Blvd, Santa Ana, CA 92704
- [Cal Fleet Advisor](#): free, one-on-one technical assistance for ZEV deployment
 - [Webinar recording and presentation](#)
- CALSTART funding training: Learn How to Secure Zero-Emission Bus + Infrastructure Funding
 - Register [here](#)
 - Feb 18, 2026 10:00 AM

