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CALIFORNIA ENERGY COMMISSION

RESOLUTION: Certifying Final Environmental Impact Report and Adopting Tire Efficiency Program Regulations (Docket Nos. 24-TIRE-01 and 26-TIRE-01)

RESOLUTION NO: 26-0817-09

WHEREAS, that the State Energy Resources Conservation and Development Commission (CEC) adopts the staff California Environmental Quality Act (CEQA) findings contained in the Agreement or Amendment Request Form (as applicable); and

WHEREAS, Assembly Bill (AB) 844 (Nation, Chapter 645, Statutes of 2003), codified at Public Resources Code sections 25770 through 25773, requires the State Energy Resources Conservation and Development Commission ("California Energy Commission" or "CEC") to implement a Replacement Tire Efficiency Program of statewide applicability for replacement tires for passenger cars and light-duty trucks, that is designed to ensure that replacement tires sold in the state are at least as energy efficient, on average, as the tires sold in the state as original equipment on these vehicles. In AB 844, the Legislature specifically finds, among other things, that "Substantial evidence indicates that replacement tires for passenger cars and light trucks are less energy efficient, on average, than tires installed as original equipment" (sec. 1(a)(1)) as well as "Improving the energy efficiency of replacement tires for California's passenger and light truck fleet could yield significant economic and environmental benefits without affecting vehicle performance or safety, while also reducing California's vulnerability to oil price increases" (sec. 1(a)(2)); and

WHEREAS, on February 2, 2023, CEC staff published a draft staff report proposing a Replacement Tire Efficiency Program. The CEC staff's proposals included: creating a publicly accessible online database containing information on replacement tires offered for sale or distribution in the state, requiring manufacturers to report on various attributes about each replacement tire, including tire model, size, rolling resistance rating, and peak wet traction rating, and allowing manufacturers to self-certify tire rolling resistance and peak wet traction ratings for their replacement tires. The staff analysis anticipated substantial environmental benefits as a result of the Replacement Tire Efficiency Program, including more energy-efficient tires which would directly reduce greenhouse gas emissions and criteria air pollutants, and no expected impact to the used/waste tire market; and

WHEREAS, on February 14, 2023, CEC staff conducted a pre-rulemaking workshop including presentations by CEC staff, Smithers testing laboratory, and U.S. Tire Manufacturers Association; and

WHEREAS, on September 11, 2024, CEC staff published a Notice of Preparation (NOP) of a Draft Environmental Impact Report (EIR), stating that a Draft EIR would be prepared for the proposed project in order to provide decision makers, the public, and responsible agencies with information about any potential environment effects associated with the Replacement Tire Efficiency Program. The NOP was submitted to the Office of Planning and Research and circulated consistent with California Code of Regulations, Title 14, section 15082; and

WHEREAS, on September 30, 2024, the CEC staff held a scoping meeting pursuant to Public Resources Code section 21083.9(a)(2), to obtain input on the appropriate scope and content of the Draft EIR; and

WHEREAS, on April 24, 2026, the CEC staff mailed and posted on the CEC's website a Notice of Proposed Action (NOPA) formally notifying the public of the CEC's intent to adopt proposed regulations for the Replacement Tire Efficiency Program, the express terms of the proposed regulations, an Initial Statement of Reasons (ISOR) describing the rationale for the proposal, and including a Standardized Regulatory Impact Assessment, Economic Impact Analysis of the Replacement Tire Efficiency Program prepared by Evergreen Economics and CEC staff, and the Economic Impact Statement (Form 399). The NOPA was published in the California Regulatory Notice Register and delivered to the Secretary of the California Natural Resources Agency; and

WHEREAS, on April 24, 2026, CEC staff published a staff report on California's Proposed Replacement Tire Efficiency Program, CEC-600-2026-012 (Staff Report), which describes CEC staff research and analysis related to the regulations proposed in the NOPA. The Staff Report reflects CEC staff's analysis of third-party testing commissioned by the CEC and conducted by Smithers, an independent laboratory, which evaluated 179 replacement and original equipment tire models drawn from the California market. The Staff Report also reflects CEC's analysis of Treadwell Tire Guide (Treadwell) data that was shared by Discount Tires regarding tire tread life and traction; and

WHEREAS, the Staff Report concludes that tire efficiency is a key component of vehicle fuel efficiency. The Staff Report concludes that energy-efficient tires have a low rolling resistance, meaning they can roll farther when given the same energy input as a tire with higher rolling resistance. The Staff Report concludes that original equipment tires tend to have a lower rolling resistance than replacement tires, and thus are more efficient than replacement tires; and

WHEREAS, the Staff Report analysis concludes that the Replacement Tire Efficiency Program regulations are technically feasible. The Staff Report concludes, based on test data, that the technologies necessary to meet the proposed Phases 1 and 2 standards are not only available, but are already deployed in popular tire models available in the market and across a wide range of price points and sizes. The Staff Report concludes that the Replacement Tire Efficiency Program regulations will not compromise safety, as measured by wet grip, or reduce tire life through accelerated tire wear; and

WHEREAS, the Staff Report shows the regulations would be cost-effective for consumers. The savings from the expected regulations are primarily the expected fuel savings from adopting more efficient tires. The Staff report estimated a net benefit of \$153 to \$207 per vehicle over the four-year lifespan of an average set of tires. The analysis indicates that the Replacement Tire Efficiency Program regulations are cost-effective across all transportation fuels, including gasoline, electricity, diesel, and hydrogen; and

WHEREAS, the Staff Report concludes that extensive testing and staff analysis using third-party data found no inherent relationship between tire efficiency and wet grip and no inherent trade-off between tire efficiency and dry traction, where tire grip and traction are key indicators of safety. The Staff Report concludes that many existing tire models are efficient and have high wet grip, demonstrating the feasibility to manufacture and bring to market a tire with both attributes. Moreover, the Staff Report notes that absent an exemption, the regulations would prohibit the sale in California of replacement tires with a wet grip index of less than 1.0, eliminating replacement tires with the least grip from the market; and

WHEREAS, the Staff Report concludes that the regulations will not increase tire waste because many existing tire models demonstrate both low rolling resistance coefficient (RRC) and high Uniform Tire Quality Grading (UTQG) treadwear grades, or both low RRC and high Treadwell mileage estimates. Furthermore, the Staff Report notes that used and retreaded tires do not fall under the scope of the Replacement Tire Efficiency Program regulations. Additionally, the Staff Report concludes that the Replacement Tire Efficiency Program regulations incentivize manufacturers to produce replacement tires with more durable treadwear by establishing both long-life and ultralong life tire categories that would be allowed to meet less stringent rolling-resistance requirements while still aligning with overall efficiency and safety goals. Moreover, the Staff Report includes a phased implementation schedule that provides manufacturers sufficient lead time to optimize tread designs and compound formulations without reducing skid-depth that could reduce tire life. The Staff Report concludes that these additional mechanisms will discourage manufacturers from reducing tire lifespan and ensure that the Replacement Tire Efficiency Program regulations will not reduce tire life and increase tire waste; and

WHEREAS, the Staff Report concludes that the Replacement Tire Efficiency Program regulations are technically feasible, cost-effective, and will not compromise safety, reduce tire life, or increase tire waste; and

WHEREAS, the Staff Report concludes that although limited production tires are excluded from minimum performance standards, reporting requirements for manufacturers to report those tires are reasonably necessary to distinguish between limited production tires and replacement tires that must comply with the minimum performance standards; and

WHEREAS, the Staff Report concludes that a performance standard for wet grip would ensure that tire manufacturers do not inappropriately trade safety for tire efficiency; and

WHEREAS, the Staff Report concludes that correlating RRC measurements that follow the (International Organization for Standardization) ISO 28580:2018 with the European Union's (EU) program (EU correlated) will simplify compliance by manufacturers operating in both the EU and California and will assist the CEC in verification of compliance; and

WHEREAS, on April 24, 2026, and based on the Staff Report and express terms published concurrently, the CEC staff submitted the Draft EIR to the Office of Planning and Research to distribute to state agencies for review. A Notice of Availability was published in the *Sacramento Bee* and the *Los Angeles Times* pursuant to California Code of Regulations, Title 14, section 15087. The Notice of Availability was also mailed and posted on the CEC's website; and

WHEREAS, on June 10, 2026, the CEC staff held a Public Hearing, as noticed in the NOPA, to receive oral comments on the proposed regulations to the Replacement Tire Efficiency Program; and

WHEREAS, on June 15, 2026, the CEC staff published a memorandum extending the comment period established by the Notice of Availability and NOPA until June 16, 2026; and

WHEREAS, on June 16, 2026, the public review and comment periods established by the Notice of Availability and NOPA closed, having provided a total of 52 days for formal public comment on the proposal; and

WHEREAS, after considering all public comments received, on July 17, 2026, the CEC staff published a Notice of Additional Public Comment Period and Summary of Changes that proposed changes to the Express Terms and established an additional comment period. This notice provided a summary of amendments to the Replacement Tire Efficiency Program regulations, including the delay of the proposed Phase 1 and Phase 2 implementation dates by one year and two years, respectively, included the express terms of the regulations showing the changes, and provided notice of addendums to, and the addition of, documents relied upon. The delay in implementation does not have any significant impact on, or result in a change to, the conclusions reached in the Staff Report, Draft EIR, SRIA, or any other document reflecting staff's analysis of the proposed regulations' economic or environmental impacts or compliance with statutory requirements; and

WHEREAS, on July 17, 2026, CEC staff filed an addendum to the Smithers tire testing, on which the Staff Report was based, to clarify its testing methodology used the ISO 15222 (2021) "Truck and bus tyres — Method for measuring relative wet grip performance — Loaded new tyres" (trailer method) for the 6 light truck tire sets tested in Phase 1 and all light truck tire sets tested in Phase 2; and

WHEREAS, the CEC consulted with CalRecycle, the successor to the former California Integrated Waste Management Board, about implementation of the proposed tire energy efficiency program as required by statute. On July 30, 2026, CalRecycle filed a letter expressing support for the proposed Replacement Tire Efficiency Program, acknowledging CEC's consultation during the preparation of the Staff Report; and

WHEREAS, on August 3, 2026, the additional comment period, which was established by the July 17 Notice of Additional Public Comment Period, closed, having provided 17 days for public comment; and

WHEREAS, on August 7, 2026, the CEC staff posted a Notice of Adoption Hearing, informing interested parties and the public that the CEC would consider adopting the proposed regulations at the August 17, 2026 Business Meeting of the CEC; and

WHEREAS, on August 7, 2026, the CEC staff published the Final EIR, which provides an environmental analysis of the final rulemaking proposal and includes responses to comments received on the Draft EIR; and

WHEREAS, each of the above-referenced documents and notices was provided to every person on the CEC's Replacement Tire Efficiency Program email subscription list and to every person who had requested notice of such matters, and was posted to the CEC's website and project dockets; and

WHEREAS, on August 17, 2026, the CEC considered certification of the Final EIR and adoption of the proposed regulations at its Business Meeting.

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

With regard to the California Environmental Quality Act:

- The proposed regulations will not have any direct, indirect, or cumulatively considerable significant adverse effect on the environment; and
- The Final EIR, including the Draft EIR, responses to comments, and appendices, has been completed in compliance with CEQA; and
- None of the information, revisions, or clarifications added to the Final EIR constitute significant new information that would require recirculation; and
- The Final EIR was presented to the CEC and the CEC reviewed and considered the information contained in the Final EIR prior to approving the project; and
- The Final EIR reflects the CEC's independent judgment and analysis; and

With regard to the Warren-Alquist Act:

- The proposed regulations are reasonably necessary to carry out Sections 25770, 25771, 25772, and 25773 of the Public Resources Code as explained in the Staff Report, NOPA, ISOR, and July 17, 2026 Notice of Additional Public Comment Period; and
- Requirements for limited production tires to report to the CEC are necessary to carry out Sections 25770, 25771, 25772, and 25773 of the Public Resources Code by allowing the CEC monitor compliance with the regulations by allowing it to distinguish between limited production tires and replacement tires that must comply with the regulations; and
- The performance standard for wet grip is necessary to carry out Sections 25770, 25771, 25772, and 25773 of the Public Resources Code by ensuring the Replacement Tire Efficiency Program regulations will not adversely affect safety; and
- The regulations establishing a compliance verification laboratory framework, including qualification requirements, alignment procedures, prohibition procedures, and appeal are reasonably necessary to ensure manufacturers report verifiable tire efficiency and to ensure the CEC can verify the accuracy of reported values; and
- The proposed regulations provide for a rating system for the energy efficiency of replacement tires sold in the state that will enable consumers to make more informed decisions when purchasing tires for their vehicles; and
- The proposed regulations ensure that replacement tires sold in the state are at least as energy efficient, on average, as tires sold in the state as original equipment on new passenger cars and light-duty trucks; and
- The proposed regulations provide for energy efficiency standards that are technically feasible and cost effective, do not adversely affect tire safety, do not adversely affect the average tire life of replacement tires, and do not adversely affect state efforts to manage scrap tires pursuant to Chapter 17 of Part 3 of Division 30 of the Public Resources Code; and
- The CEC satisfied its statutory requirement to consult with CalRecycle; and

With regard to the Administrative Procedure Act:

- The CEC's pre-rulemaking activities prior to publication of the NOPA engaged parties who would be subject to the proposed regulations in public discussions regarding those proposed regulations; and
- The proposed regulations will not result in the creation of new businesses or elimination of existing businesses, will not result in the expansion of businesses

currently doing business in California, and will not result in a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states; and

- The proposed regulations will not impose direct or indirect requirements or mandates on local agencies or school districts, including but not limited to costs that are required to be reimbursed under Part 7 (commencing with section 17500) of Division 4 of the Government Code; and
- The proposed regulations will not result in the direct creation or elimination of jobs within California; and
- The proposed regulations will not result in costs or savings in federal funding to the State of California; and
- The proposed regulations will not result in nondiscretionary costs or savings to local agencies or school districts; and
- The proposed regulations will not have an impact on housing costs; and
- The proposed regulations will result in cost impacts to representative private persons or businesses in reasonable compliance with the regulations; annual ongoing costs are estimated at \$445 for representative small businesses and \$620 for typical businesses; and
- The proposed regulations will not adversely impact the health and welfare of California residents, or worker safety, or the state's environment; and
- The proposed regulations will not adversely impact the ability of vehicle manufacturers or vehicle operators to comply with laws limiting the weight of vehicles; and
- The proposed regulations have no alternatives that would be more effective in carrying out the purpose of the statutes for which it is proposed, that would be as effective and less burdensome to affected private persons in carrying out those purposes, or that would be more cost effective to affected private persons and equally effective in implementing those purposes; and
- The proposed regulations will not have a significant adverse economic impact on small business; and
- The proposed regulations require the completion of new reports, which is necessary for the health, safety, and welfare of the people of California; and
- The July 17, 2026 amendments to the proposed regulations are nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the

public was adequately placed on notice that the change could result from the originally proposed regulatory action; and

- None of the comments received during each separate comment period, public hearing, or at the public adoption hearing, and nothing else in the record, justified any changes to the proposed regulations as published on July 17, 2026 prior to the CEC's adoption of the proposed regulations.

THEREFORE, BE IT RESOLVED, that, on the basis of the entire record before it, the CEC hereby CERTIFIES the Final EIR and finds that the proposed regulations will not have any direct, indirect, or cumulatively considerable significant adverse effect on the environment; and

FURTHER BE IT RESOLVED, that, after considering all comments received and the staff's responses, and based on the entire record of this proceeding, the CEC hereby ADOPTS the proposed regulations, as set forth in the express terms that were published on July 17, 2026 and incorporating any changes presented and adopted today.

The CEC takes this action under the authority of sections 25213, 25218(e), and 25218.5 of the Public Resources Code, which authorize the CEC to adopt rules or regulations, as reasonable and necessary, to implement sections 25770, 25771, 25772, and 25773 of the Public Resources Code; and

FURTHER BE IT RESOLVED, that documents and other materials that constitute the rulemaking record can be found at the CEC, 715 P Street, Sacramento, California, 95814. Many of these documents are also available online in Docket Number 26-TIRE-01 at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=26-TIRE-01> and Docket Number 24-TIRE-01 at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=24-TIRE-01>; and

FURTHER BE IT RESOLVED, that, the CEC delegates the authority and directs staff to take, on behalf of the CEC, all actions reasonably necessary to have the proposed regulations go into effect, including but not limited to making any appropriate non-substantive changes to the regulations; preparing all appropriate documents, such as the Final Statement of Reasons; compiling and submitting the rulemaking file to the Office of Administrative Law (OAL); making any changes to the rulemaking file required by OAL; and preparing and filing the Environmental Impact Report and Notice of Determination with the Governor's Office of Land Use and Climate Innovation. This delegation explicitly includes, but is not limited to, authority for the Executive Director or Chief Deputy Director to sign the Form 400 on behalf of the CEC.

APPROVED AND ADOPTED this 17th day of August 2026, by the following vote:

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: None

ABSENT: None

ABSTAIN: None

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on August 17, 2026.

A handwritten signature in cursive script that reads "Kim Todd".

Kim Todd
Secretariat