

**Federal Rescission of California Clean Air Act Waivers and Impacts on Bay Area Transportation Projects**

---

**Subject:**

Overview of the federal rescission of waivers that allowed California to set stricter tail-pipe emissions standards of the California Clean Air Act (CCAA), and the anticipated impacts for Bay Area transportation projects.

**Background:**

On June 12, 2025, the President rescinded three waivers granted by the Environmental Protection Agency (EPA) that allowed California to establish its own emissions standards for vehicles. While the waiver rescission is tied to broader legal and regulatory issues between the state and federal government, it has direct implications for transportation planning and project delivery in the Bay Area and across California.

The federal Clean Air Act (CAA) requires the EPA to set federal emission standards for air pollutants from new vehicles. The Act also allows California to adopt more stringent emission requirements of the California Clean Air Act (CCAA) which must be approved by EPA through preemptive waivers. Over time, the EPA has granted California more than 75 waivers for updates to the State's motor vehicle emissions standards. Most recently, the EPA granted California three waivers starting in 2023, allowing it to enforce the Advanced Clean Cars II (ACCII), Omnibus, and Advanced Clean Trucks (ACT) standards regulations in California.

This memo provides additional context on the immediate effect the waivers rescission is having on transportation conformity statewide, and the near-term implications for Bay Area transportation projects.

***California Clean Air Act and Transportation Conformity***

California uses a vehicle emissions model developed by the California Air Resources Board (CARB), known as EMFAC, to demonstrate that transportation plans (like Plan Bay Area), programs (such as the Transportation Improvement Program, or TIP), and individual projects comply with federal clean air standards. Under federal law, this demonstration is a prerequisite before these plans, programs, or projects can advance or receive federal approvals (e.g., NEPA or access to federal funding).

***Statewide Conformity Lockdown***

Although no official guidance has been released from CARB or EPA, the rescission of EPA’s waivers is presumed to immediately invalidate CARB’s emissions model and trigger a statewide “conformity lockdown.” During a lockdown, federal agencies are unable to take certain actions on the TIP or Plan Bay Area, which could hold up transportation projects that either use federal funds or need federal actions to proceed (such as NEPA or project-level air quality approvals). Fortunately, during this lockdown period, MTC has been able to continue to revise its TIP to add new projects and modify existing projects. Bay Area project sponsors can also continue to proceed with project-level delivery milestones for projects that are programmed in the TIP (ex. NEPA, project-level conformity, fund obligation).

***Bay Area Conformity Lapse Grace Period Anticipated***

While the conformity lockdown is a statewide issue, certain parts of the state, including the Bay Area, will begin to experience more significant conformity restrictions in the coming months. The expiration of *Plan Bay Area 2050* is anticipated to compound the conformity challenges for our region, should the lockdown not be resolved. The federal approval of *Plan Bay Area 2050* expires on December 3, 2025. Without an approved plan in effect, the Bay Area will enter a “conformity lapse grace period” on December 4, 2025.

Under a lapse grace period, no changes—administrative or otherwise—can be made to the region’s TIP or plan. During this time, new projects and funding cannot be added to the TIP, and only those projects already programmed in the TIP on December 3, 2025, will be able to proceed with project delivery.

MTC will remain in the lapse grace period until *Plan Bay Area 2050+* receives federal approval. However, federal agencies will be unable to issue a new regional conformity determination for, or approve, *Plan Bay Area 2050+* until the conformity lockdown has been resolved. Projects that are not already in the TIP, or that require any changes in the TIP to reflect updated project details or funding plans, will not be able to move forward until conformity is reestablished.

***Status and Next Steps***

In order to ensure the projects in the 2025 TIP are as up to date as possible before going into the anticipated conformity lapse grace period on December 4, 2025, MTC staff have alerted local project sponsors, fund program managers, and partner agencies to submit any necessary project changes to MTC by the appropriate deadlines in order to be included in the few remaining TIP revisions this year.

- The deadline for minor changes to the TIP, those requiring an administrative modification, must be submitted to MTC no later than November 1, 2025 in order to be included in the (final)

administrative modification of the TIP prior to the anticipated start of the lapse grace period on December 4.

- The deadline for more substantive TIP project changes, including new project submissions, scope changes, and more significant changes to project funding plans was August 15. Projects revisions submitted by that date will be included in the October TIP Amendment, the final amendment that can expect to receive state and federal approvals before the lapse grace period goes into effect.

This is a statewide issue that no single region, including MTC, can resolve independently. The State of California is leading both the legal and technical response, and MTC is coordinating closely with state and regional partners to monitor developments and assess the implications for Bay Area projects. CARB may eventually update its emission model to reflect the rescission of the waivers, but doing so could take months and would require approval from US EPA. At the same time, California is pursuing legal action in federal court to restore its authority by challenging the waiver repeal.

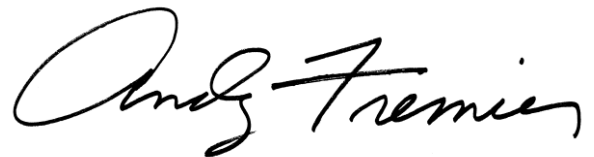
**Issues:**

MTC is anticipated to enter a 12-month conformity lapse grace period starting on December 4, 2025.

Should the statewide conformity lockdown remain in effect, and MTC unable to receive federal approval of *Plan Bay Area 2050+*, the Bay Area would enter a full conformity lapse on December 4, 2026. Under a full conformity lapse, only a limited selection of projects that remain in the 2025 TIP would be able to proceed.

**Recommendations:**

Information Only.



---

Andrew B. Fremier