

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2186 **STATUS:** A Engrossed
SUBJECT: Greenhouse gas emission
GOVERNMENT UNIT AFFECTED: Department of Environmental Quality
PREPARED BY: Dawn Farr
REVIEWED BY: Paul Siebert
DATE: May 4, 2009

2009-2011

2011-2013

EXPENDITURES:

See Comments.

POSITIONS / FTE:

See Comments.

EFFECTIVE DATE: On passage.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill allows the Environmental Quality Commission (EQC) to adopt rules to reduce greenhouse gas emissions that include development of low carbon fuel standards, requirements to prevent venting during use and disposal of consumer and commercial products, requirements to maintain or retrofit medium-duty and heavy-duty trucks, requirements to prevent tampering, alteration and modification of motor vehicle pollution control systems, requirements governing the energy efficiency of replacement tires, requirements that motor vehicle service providers check and inflate tire pressure according to manufacturer's recommendations, and restrictions on engine use by parked commercial vehicles. Further, the bill directs that after December 31, 2020, the EQC may not adopt requirements beyond what has been provided to date; and that the Department of Environmental Quality report on progress to an interim legislative committee on or before December 31, 2010.

The language of the bill does not require the Environmental Quality Commission to conduct rulemaking or set a timeframe for completion of the rulemaking activity allowed by the bill. The Department of Environmental Quality (DEQ) indicates they intend to focus on implementing aspects of the bill that have already been developed in other states, and on the rules and standards that can be supported by reprioritizing existing staff. DEQ estimates that the time of three existing staff positions can be redeployed to adopt rules to reduce greenhouse gas emissions if the bill passes:

- A Natural Resources Specialist (NRS) 5 position (0.50 FTE) in the Air Toxics program will be reassigned to lead an advisory committee to develop the Low Carbon Fuel Standard and related rules. This will defer development of other air toxics strategies and on-going work with DEQ's Air Toxics Science Advisory Committee. This work can begin in late 2009. Costs associated with this work are estimated at \$119,318 Federal Funds for the 2009-11 biennium. DEQ anticipates expending an additional \$143,182 and 0.50 FTE of staff resources to implement the rules in the 2011-13 biennium.

- A NRS 4 position in the Clean Diesel Program (0.50 FTE) will be reassigned to lead an advisory committee to develop provisions on anti-idling and improvements in truck aerodynamics and related rules. This will delay the development of other diesel reduction strategies, such as the Clean Diesel Recognition Program. Costs associated with this work are estimated at \$110,892 Federal Funds for the 2009-11 biennium. DEQ anticipates expending an additional \$133,070 and 0.50 FTE in staff resources to implement the rules in the 2011-13 biennium.
- A NRS 4 position from the Oregon Low Emission Vehicle (LEV) program (0.25 FTE) will be assigned to incorporate motor vehicle anti-tampering provisions into Oregon's LEV program. This position is funded by fees paid by auto manufacturers, and work can be done as part of a periodic rule update once California has finished the next round of updates to the Low Emission Vehicle Program. Costs associated with this work are estimated at \$66,806 Other Funds for the 2009-11 biennium. DEQ anticipates expending an additional \$66,806 and 0.25 FTE in the 2011-13 biennium to implement the rules.

DEQ indicates that the development of the other provisions of the bill will be deferred until other states have made progress developing rules and standards as this will make the required investment significantly less. Assuming this to be the case, DEQ anticipates that the rulemaking to adopt standards for consumer and commercial products and standards governing energy efficiency of replacement tires could easily be modeled after rules or statutes in other states for minimal additional expenditures. DEQ also expects that rules for tire inflation to be minimal, but these rules will require some education and outreach. The Department's total estimated cost for the remaining work is \$42,832. At this time a funding source has not been identified for this work.