

## CLEAN ENGINES, CLEAN AIR ACT 2017:

### A Mix of Incentives and Standards to Help Transition Away from High-Polluting Older Diesel Engines

1. Create the Clean Diesel Engine Fund, initially filled with dollars from the VW Settlement (approximately \$70 million)
  - a. First distributions will go to School Bus Retrofits and Replacements
  - b. Subsequent distributions according to articulated principles: place-based criteria (areas of known health risk and high emissions) will be considered first; then, other factors will be considered (fleet size, MWESB/DBE, ability to leverage outside dollars)
  - c. Likely targets after school buses: refuse/recycling trucks, local delivery trucks, drayage trucks, transit, senior transit.
2. Modify ORS 468A.796 (from HB 2795, 2009) to extend sunset on school bus retrofits to coincide with 2025 replacement deadline for cleaning school bus fleets. If we don't, districts lose the option to retrofit—will have no choice but to replace.
3. In order to prevent “dumping” of older, non-compliant equipment into Oregon, initiate a quick halt to fleet owners’ adding pre-2007 engines to fleets (both on-road and non-exempt off-road).
4. At a date in the future, begin to phase in emission standards for existing on-road fleets. Dates and phase-in schedule still to be determined. Goal is to gradually reduce the number of non-compliant trucks over time, based on geographic region, level of emissions, and fleet size. Low-emission/low frequency vehicles exempted.
5. At a date in the future, begin to phase in emission standards for existing off-road fleets. If we set standards, we are legally required do it in a manner that will make Oregon standards identical to California’s. Off-road Farm equipment exempted (as in California).
6. Partnering with AGC and ODOT, conduct an inventory of off-road equipment by July 1, 2018.
7. Follow with a registration program for off-road equipment (on-road already register through DMV). Operative January 1, 2020. Modest registration fees to operate the program.

8. 1% of state-funded construction-bond projects (non-highway, more than \$2 million, 30% funded by the state) go into helping contractors meet clean engine goals or into the Clean Diesel Engine Fund until 2028. Modeled after national AGC proposal.
9. 25% of annual federal CMAQ (Congestion Mitigation and Air Quality) grants that come to Oregon will go into the Clean Diesel Engine Fund until 2028. Some for retrofit/replacement grants, some for loan guarantees.
10. Modifications to state preemption on idling regulation.