

SB 1008A-3: CLEAN ENGINES, CLEAN AIR ACT 2017

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

SECTION BY SECTION OVERVIEW (with -3 amendments)

1. “Whereases”
 - Establish public health need for the program.
 - Articulate strategy of hastening timeline for conversion to newer (i.e., post-2006), cleaner on-road and off-road engines. (Starting in 2007, federal law required all newly-built engines to meet health standards.)
 - Acknowledge challenges for businesses

2. Oregon Clean Diesel Program (Definitions) (Sections 1-2)
 - Provides definitions of relevant on-road and off-road engines and replacement/repower/retrofit strategies.

3. Diesel Engine Fleet Provisions (Sections 3-5)

Creates prohibition on businesses adding pre-2007 engines (on-road and off-road) to their fleets. Purpose is to assure that older, dirtier engines don't come into the state and into high-risk areas of the state (i.e., “dumping”)

 - DEQ will be authorized to allow extensions where appropriate, based on engine usage and geographical location.
 - Agricultural equipment and vehicles exempted.
 - Nonroad prohibitions legally required to be identical to California's.

4. Clean Diesel Engine Fund Uses (Sections 6-13)

Creates the Clean Diesel Engine Fund, initially filled with dollars from the VW Settlement (approximately \$80 million) and lays out priorities and requirements for awards.

 - First distributions will go to School Bus Retrofits and Replacements in order to meet or exceed the deadline in statute (see #5 below).
 - Subsequent distributions will prioritize areas of known health risk and high emissions will be considered first.
 - Then, other factors will be considered (e.g., fleet size, MWESB/DBE, ability to leverage outside dollars).
 - Likely targets after school buses: refuse/recycling trucks, local delivery trucks, drayage trucks, transit, airport ground support equipment, local government vehicles.

- Repowers and replacements may involve conversions to other, cleaner fuels, such as compressed natural gas, biogas, and electricity (Alternative fuels called out in Sections 1 & 2, Definitions.)

5. School Buses (Section 14-15)

- Modifies ORS 468A.796 (from HB 2795, 2009) to extend the January 1, 2017 sunset on school bus retrofits, to coincide with the 2025 replacement deadline for school bus fleets for whom retrofits make more sense to take advantage of the VW settlement dollars.
- If we don't make this change, districts lose the option to retrofit—will have no choice but to replace, a more expensive option and one not appropriate for all districts.
- Use of this less-expensive option will stretch the VW dollars farther.
- Section 15 lays out the methodology for use of settlement dollars with respect to school buses.

6. Nonroad Diesel Engine Inventory (Sections 16-20)

- Using a third-party contractor, DEQ will conduct an inventory of off-road equipment by July 1, 2018.
- Will allow us to ascertain current volume, location, and age of off-road diesel engines.
- Will allow us to have similar information to that which we receive from ODOT with respect to registered on-road vehicles.

7. Changes to State Idling Policy for Diesel Trucks. (Section 21-22)

- Clarifies that trucks cannot idle for more than 5 minutes during active loading and unloading.
- Allows local jurisdictions to create by ordinance “No Idle Zones” near hospitals, care facilities, schools, and day-care centers.
- Exempts certified clean-idle trucks from limitations on idling.