

State of Oregon
Department of Environmental Quality

Memorandum

Date: July 27th, 2020

To: Joint Task Force on Supporting Businesses in Reducing Diesel Emissions

From: Matt Davis, Gerik Kransky - DEQ

Subject: Correction and Follow up from 7/16/20

The purpose of this memo is to correct the record of DEQ staff remarks regarding diesel emissions mitigation projects in Oregon and answer outstanding questions from task force members on July 16th.

Correction regarding age/model year of replacement vehicles and equipment.

During the task force meeting one member asked if replacement vehicles and equipment must be new, as opposed to used, in order to qualify for DEQ's diesel emissions mitigation grant program. DEQ staff mistakenly said that only new equipment would qualify.

Upon further review while the VW Environmental Mitigation Agreement does require only new replacement vehicles and equipment to qualify for grant funding, the federal Diesel Emission Reduction Act (DERA) provides an additional option. Under current DERA Option guidance grant recipients may purchase replacement vehicles and equipment with 2016 engine model year or newer. Trucks primarily engaged in hauling cargo to and from ports and intermodal rail yards may purchase 2013 engine model year or newer. Please refer to the following table for more info.

Details available here: <https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockkey=P100WK6.pdf>

How can school districts participate in phase 2 of the school bus portion of the program?

Oregon DEQ continues to reduce diesel emissions by replacing and retrofitting school buses with VW Settlement funds. To date we have obligated and spent \$4.9M to address 134 buses, removing approximately 21.6 tons of harmful nitrogen oxides and 1.8 tons of carcinogenic particulate matter.

Beginning October 1, 2020 all previously-selected school districts who have not entered into a grant agreement with DEQ will lose their guaranteed allotments. DEQ will open the grant program to all previously non-selected districts to award the unused allotments.

The full list of selected school districts is published here: <https://www.oregon.gov/deq/FilterDocs/VW-InitialSchoolDistrictList.pdf>. DEQ will prioritize grants to districts who have not previously participated in the program on a first-come, first-served basis until DEQ is able to retrofit or replace at least 450 school buses. DEQ staff will

support schools during the application process. Please contact us at (503) 229-5159 or dieselgrants@deq.state.or.us if you have any questions or need assistance.

Does the state have a total cost of ownership tool for buses that includes health impacts?

Oregon DEQ uses the Environmental Protection Agency's Diesel Emissions Quantifier to determine the estimated emissions reductions and health benefits by county, and as a total, for our grant-funded projects.

Annual benefits are represented as the dollar value of health benefits resulting from reduced exposure to ultrafine particulate matter (PM_{2.5}). These benefits include the reduction of premature mortality, chronic bronchitis, asthma attacks, non-fatal heart attacks, and other health problems. The dollar values are based on studies used by EPA when estimating the health benefits of environmental rules. Link: <https://cfpub.epa.gov/quantifier/index.cfm>

As discussed during the meeting the State of Oregon is working on developing a total cost of ownership tool to help diesel equipment owners understand the lifecycle impacts of purchasing new and alternate-fueled transit buses, including quantified health benefits.

The purpose of the new Transit Bus Tool is to provide the user with a first-pass assessment of 35 to 40-foot transit bus lifecycle costs across multiple platforms of standard and alternative fuel transit bus types. Oregon's Zero Emissions Vehicle Interagency Working Group will create a similar tool for school districts to assess the costs of alternative fuel school buses.

How many electric school buses have been purchased with the VW Settlement program?

To date no school districts have signed a grant agreement with Oregon DEQ for the purchase of an electric school bus with funding from our Diesel Emissions Mitigation Program. We are however working with two school districts that are considering purchasing one electric school bus each, in conjunction with utility supporter grants, and expect to be able to sign grant agreements for these projects soon.

Several school districts are pursuing grant funding and partnerships with local electric utility providers to purchase electric school buses. Portland General Electric has announced that Beaverton, Newberg, Reynolds, Salem-Keizer, and Portland will all get electric school buses. PacifiCorp will open a grant opportunity that will likely yield at least one electric school bus. In our experience these grants are critical to the school districts moving forward with electric buses.

The grants are funded through the sale of Clean Fuels Program credits given to the electric utilities on behalf of their Electric Vehicle owning customers. These grants are not specific to school buses and support transportation electrification effort more broadly speaking. Both utilities have funded chargers and electric vehicles for a wide range of entities, many of which are community-based, non-profits, and in underserved communities.

Additional details about the Clean Fuels Program are available here:

<https://www.oregon.gov/deq/aq/programs/Pages/Clean-Fuels.aspx>