

HB 2007 STAFF MEASURE SUMMARY**House Committee On Energy and Environment**

Action Date: 04/04/19**Action:** Without recommendation as to passage, be referred to Rules, and then to Ways and Means by prior reference.**Vote:** 9-0-0-0**Yeas:** 9 - Findley, Helm, Reschke, Salinas, Schouten, Sollman, Wilde, Williams, Zika**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Misty Freeman, LPRO Analyst**Meeting Dates:** 3/19, 3/21, 4/4

WHAT THE MEASURE DOES:

Directs Environmental Quality Commission (EQC) to establish diesel emission standards by rule for medium- and heavy-duty trucks that include a schedule to phase in a requirement for 2010 model or newer engines in all such trucks registered in Oregon by January 1, 2029. Requires that rules allow alternative compliance options, including: a fleet averaging option; options providing flexibility for small fleets; compliance extensions for certain individual trucks; and compliance through retrofitting with exhaust controls that reduce diesel particulate emissions by at least 85 percent of baseline emissions for the relevant engine. Requires rules to restrict the addition of certain engine years to fleets. Directs EQC to consider State of California (CA) regulations before adopting rules. Exempts certain vehicles from rules, including specified farm equipment; animal husbandry implements; motor vehicles used exclusively for training; and allows other vehicles to be exempted by rule. Directs heavy-duty commercial truck owners or operators to maintain documentation that trucks meet applicable federal emission standards for relevant model years and provide same to enforcement authorities upon demand. Requires EQC to establish an inspection program and issue emission control labels that truck owner and operators must display. Directs EQC to consider CA inspection protocols before adopting rules. Prioritizes grants from the Clean Diesel Engine Fund administered by the Oregon Department of Environmental Quality (DEQ) to owners and operators of school buses to reduce emissions from at least 450 diesel engine buses, then to owners and operators of diesel-powered motor vehicles and equipment for qualifying replacements or retrofits of model year 2009 or earlier engines. Directs DEQ to prefer projects that: benefit sensitive populations or areas with elevated concentrations of diesel particulate matter; are implemented by disadvantaged business enterprises; are designed and performed with community engagement and support; involve the replacement, repower, or retrofit of one or more vehicles or pieces of equipment that have at least three years of useful life remaining; support the use of fuels that generate credits for regulated parties under the clean fuels program; involve small fleets; maximize the cost effectiveness of emissions reductions in Oregon; or meet criteria for any other preferences established by EQC to ensure reduction of nitrogen oxide emissions from diesel engines. Authorizes EQC to adopt minimum standards for public improvement contracts involving the use of diesel engines through a state contracting agency or valued at \$20 million or more and funded at least in part by general obligation bonds. Requires a public improvement contract that involves a fleet of motor vehicles or equipment powered by diesel engines be comprised of at least 80 percent motor vehicles powered by model year 2010 or newer diesel engines and equipment that meet or exceed US Environmental Protection Agency Tier 4 exhaust emission standards for non-road compression ignition engines. Replaces definition of “combined weight” with “gross vehicle weight rating” for provisions governing diesel engine repower, retrofit, or replacement. Repeals state preemption of local regulation of primary engine idling in commercial vehicles. Establishes a ten-member Supporting Businesses in Reducing Diesel Emissions Task Force (Task Force) staffed by the Legislative Policy and Research Office. Charges Task Force to consider public funding strategies that support businesses reducing

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emissions from diesel engines and to make recommendations to the legislature by September 15, 2020. Sunsets December 31, 2020. Specifies repeal of state preemption and establishment of Task Force are effective upon passage. Makes all other provisions operative January 1, 2020. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Health impacts and short- and long-term healthcare costs associated with diesel emissions
- Power and long lives of diesel engines
- Off-road diesel equipment inventory in process
- Length of time to phase out older diesel engines
- Connections to House Bill 2017 (2017) and House Bill 2020 (2019)

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Diesel is the fuel most frequently used by the commercial transportation sector; approximately 80 percent of all freight in the U.S. is moved by diesel engines. Diesel engines also power most non-road equipment, including equipment used in the construction, agricultural, marine, and locomotive sectors. Diesel engines are used extensively because of their reliability, durability, power, and fuel efficiency. However, diesel engines also emit nitrogen oxides, particulate matter, and toxic air pollutants that are dangerous to human health and contribute to global warming.

Diesel engines have produced fewer emissions since the late 1980s, and federal emissions standards that went into effect for model year 2007 have resulted in further emissions reductions for newer diesel engines in the U.S. Because of the durability of diesel engines, many vehicles powered by diesel engines from model years before 2007 may continue to be in service for some years to come. Retrofits of older model year diesel engines, which includes the installation of pollution control equipment for both highway and non-road vehicles, can improve emissions performance.

House Bill 2007 would direct the Environmental Quality Commission to establish diesel emission standards for medium- and heavy-duty trucks, including the requirement for model 2010 or newer engines in all such trucks registered by Oregon by January 1, 2029. The Act would also establish a task force to consider public funding strategies to support businesses that use diesel engines to reduce emissions, and prioritize funding from the Clean Diesel Engine Fund for grants to assist owners and operators of diesel-powered vehicles and equipment for qualifying replacements or retrofits of model year 2009 or earlier engines.