



HB 2714 this EV trucking bill is not ready for prime time

House Climate, Energy and Environment – Jody Wiser – 1.30.2023

I read HB 2714 yesterday afternoon and was reminded in too many ways of a fiasco with trucking companies abusing a similar state climate subsidy beginning in 2007. That mess, part of the BETC, didn't get resolved for years.

You might recall the name Mesilla Valley Transportation, the Texas company that received \$4.5 million in tax credits for making energy efficiency upgrades to 752 big rigs. Their trucks drove less than 1% of their miles in Oregon. That program was overseen by the Department of Energy and like this bill, the department could arrange to have the program managed by a nonprofit. Sharon Banks was CEO of Cascade Sierra Solutions, the nonprofit that managed the program and helped the Texas company obtain the Oregon subsidies. She said they awarded the tax credits to Mesilla Valley because it met the minimal state requirements at the time. "I don't make the rules," she told the Oregonian. The nonprofit profited from sales to some other trucking businesses and was paid for managing the program.

That was also a climate bill with few sideboards.

HB 2714 would give rebates to electric medium and heavy weight vehicles "for use in this state." According to the bill, owners must prove that they are going to operate their trucks "primarily on the public highways of this state?" How? Provide proof of registration in the state. That's what Mesilla Valley did. They registered their trucks here, got the equipment installed in Texas and collected 35% of the cost, nearly \$5,200 per truck from Oregon for improving the efficiency of their rigs, with little benefit to Oregon.

Today's bill provides little legislative guidance and inadequate sidebars. It includes nothing about the size of the rebates or percentage of the purchase price to be rebated or even the amount of funding to be provided. "Extra rebates can go to trucks registered to an address or frequently operated in an area of this state that is disproportionately burdened by air pollution as determined by the commission." This bill could easily require a standard, such as that for each truck receiving a rebate, 90% of truck miles must be within Oregon for no less than three out of the first five years, or the rebate will be returned. Oregon and all other states already track mileage. Each commercial motor carrier (truck company) is required to report monthly "use mileage" for each "tractor" (i.e. truck) in their commercial service hauling "freight." They provide the truck's license plate number, VIN and miles driven in each state where that truck was used to deliver and pickup freight. That's how motor carriers gas taxes are charged by each state. That is also how we were able to measure the fact that Mesilla Transportation had minimum mileage in Oregon.

This bill leaves entirely too much undecided and is extremely open to abuse. We hope there are robust amendments lined up.

We read the bills and follow the money