

HB 2007

House Committee on Rules

5/6/2019

Background

- VW sold ~590,000 vehicles containing defeat devices
- Settlement rooted in the health effect of emissions (2009-2016)
 - VW required to replace or fix effected vehicles
 - Invested \$2 B to promote the use of zero emission vehicles
 - VW provided \$3 B to states to mitigate effects of excess emissions
- Oregon received \$72.9 M
- The trust is administered, and states (beneficiaries) submit projects meeting the established Eligible Mitigation Actions to be approved by the trust after the state spends the money
- **Need for action:**
 - **If we do not use 80% of the funds by 2028- the funds will be redistributed and Oregon risks losing the money**
 - **Without a statute change, DEQ does not have the authority to disburse the remaining \$53 Million of VW funds**

In 2017...

- The Legislature passed SB 1008, which allocated a portion of Oregon's VW Settlement money to replace dirty diesel school buses
 - Goal: 450 diesel school buses to be replaced or retrofit
 - 30% for replacements
 - 100% for retrofits
 - As of today, 54 replacements with \$1.7 M allocated



HB 2007 Base Bill

80th OREGON LEGISLATIVE ASSEMBLY—2019 Regular Session

House Bill 2007

Sponsored by Representatives KOTEK, POWER, NOSSE, Senators DEMBROW, FREDERICK, TAYLOR; Representatives HERNANDEZ, KENY-GUYER, NERON, PRUSAK, SALINAS, SANCHEZ, SCHOUTEN, SMITH WARNER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Directs Environmental Quality Commission to adopt by rule diesel engine emission standards for medium-duty trucks and heavy-duty trucks. Requires commission to phase in implementation of standards.

Requires owner or operator of truck that enters Oregon for purpose of operating in Oregon to maintain evidence demonstrating that engine of truck meets federal emission standards at time of manufacture. Directs commission to adopt by rule inspection and emission control label program for determining whether trucks meet federal emission standards.

Extends authorized uses of moneys received by state pursuant to Volkswagen Environmental Mitigation Trust Agreement and deposited in Clean Diesel Engine Fund.

Repeals state preemption of local regulating of idling by primary engines in commercial vehicles. Beginning January 1, 2020, requires certain public improvement contracts to require use of motor vehicles and equipment with 2010 model year or newer diesel engines in performance of contract.

Establishes Supporting Businesses in Reducing Diesel Emissions Task Force. Directs task force to consider public funding strategies for supporting businesses in reducing emissions from diesel engines used in conducting business activities.

Becomes operative January 1, 2020.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1 Relating to engine emissions; creating new provisions; amending ORS 468A.795, 468A.803 and
2 468A.805; repealing ORS 825.615; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

DIESEL ENGINE EMISSION STANDARDS; INSPECTION PROGRAM

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8 **SECTION 1.** ORS 468A.795 is amended to read:

9 468A.795. As used in ORS 468A.795 to 468A.807:

10 (1) "Alternative fuel" means biofuels, biogas, natural gas, liquefied petroleum gas, hydrogen and
11 electricity.

12 (2) "Best available exhaust control technology" means the most effective exhaust controls to
13 reduce diesel particulate that rely on passively regenerated diesel particulate control technology
14 supported in a vehicle's normal duty cycle.

15 [(3) "Combined weight" has the meaning given that term in ORS 825.005.]

16 [(4) (3) "Cost-effectiveness threshold" means the cost, in dollars, per ton of diesel particulate
17 matter reduced, as established by rule of the Environmental Quality Commission.

18 [(5) (4) "Diesel engine" means a compression ignition engine.

19 [(6) (5) "Environmental Mitigation Trust Agreement" means the fully executed Environmental
20 Mitigation Trust Agreement for State Beneficiaries effective October 2, 2017, and issued pur-
21 suant to Paragraph 17 of [required by] the Volkswagen "Clean Diesel" Marketing, Sales Practices

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted.
New sections are in boldfaced type.

LC 3090

- Set a statewide deadline of 2029 for all heavy and medium-duty truck and bus engines to meet 2010 engine standards
- Set a deadline to stop adding old dirty trucks to Oregon fleets
- Allow funds from the VW legal settlement to be used for replacing old engines, starting where pollution is worst and people are most sensitive, and with preference to small fleets and disadvantaged business
- Use 80% clean diesel on state public construction projects over \$20 million
- Let local governments create no-idling zones
- Create a task force to find public funding to support businesses in retiring old engines

Forthcoming HB 2007 Amendments

- Scales down the heavy-duty phase out from statewide to the tri county area (Clackamas County, Washington County, Multnomah County)
- Scales down the medium-duty phase out from statewide to the tri county area (Clackamas County, Washington County, Multnomah County)
- Make the operative date for clean diesel contracting January 1, 2021
- Off road voluntary sticker program moved from the task force to the main body of the bill
- Exempts a few additional categories of trucks that were not captured in the base bill
 - Emergency vehicles/ firefighting vehicles
 - Military tactical support vehicles
 - Motor homes
 - Low-use exemption (demonstrate the vehicle is driven under 5,000 per year)- only for heavy duty trucks
 - AQ plates

Forthcoming HB 2007 Amendments

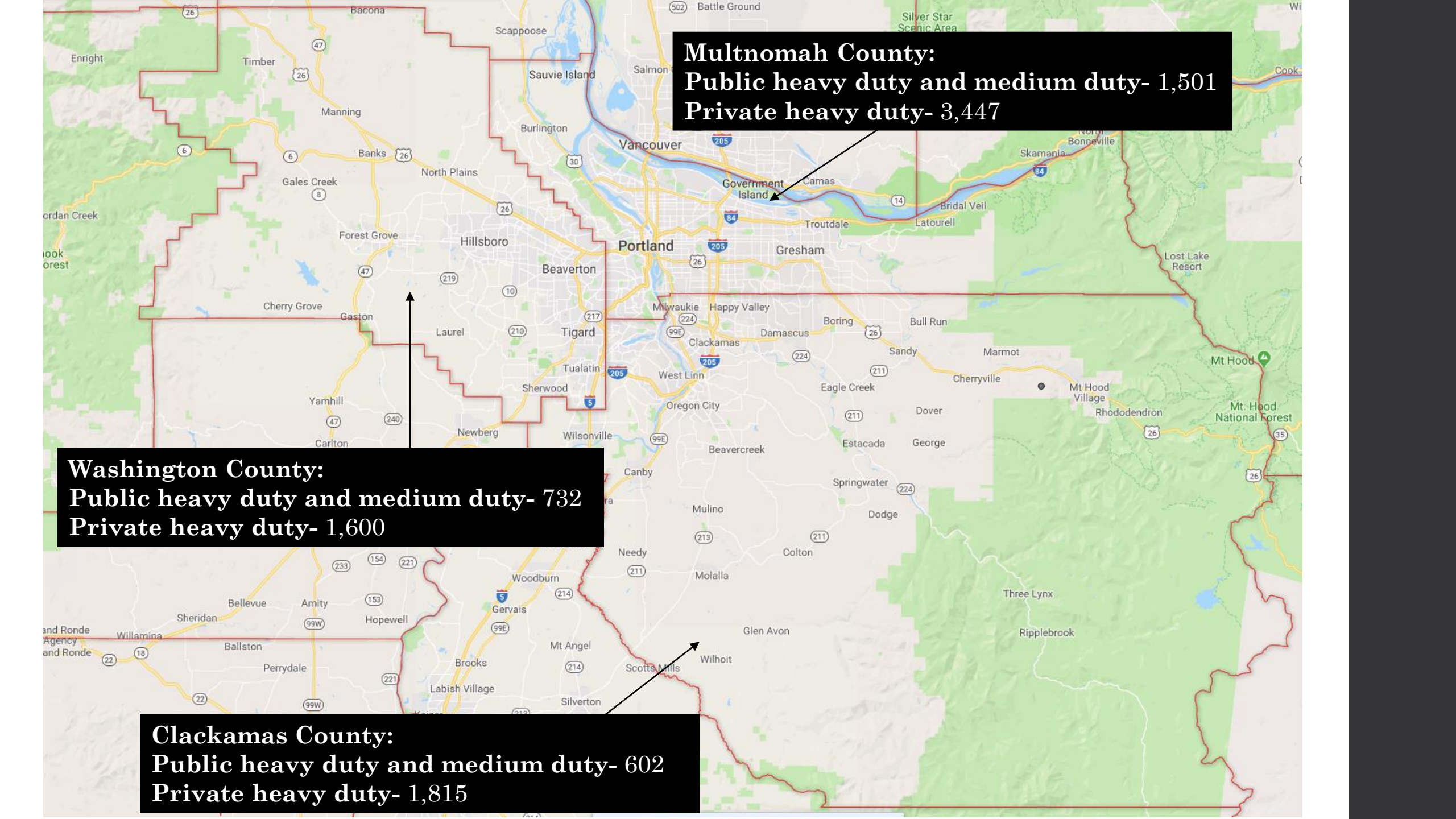
- Prioritizes VW funding to support early compliance with the phase-out provision requirements, clean diesel contracting standards and small fleets
- Maintains enacting a statewide clean diesel contracting requirements for state projects over \$20 million
- Maintains and **clarifies in statute** the deadline to stop adding old diesel trucks **to Oregon fleets within the tri county region (2022)**
- Adds three members to the task force:
 - One member of the community who has expertise on air quality or funding issues
 - One member of the community who represents an environmental organization who works on diesel and air quality emissions
 - One member of the environmental justice community

Public Fleet Phase Out Schedule

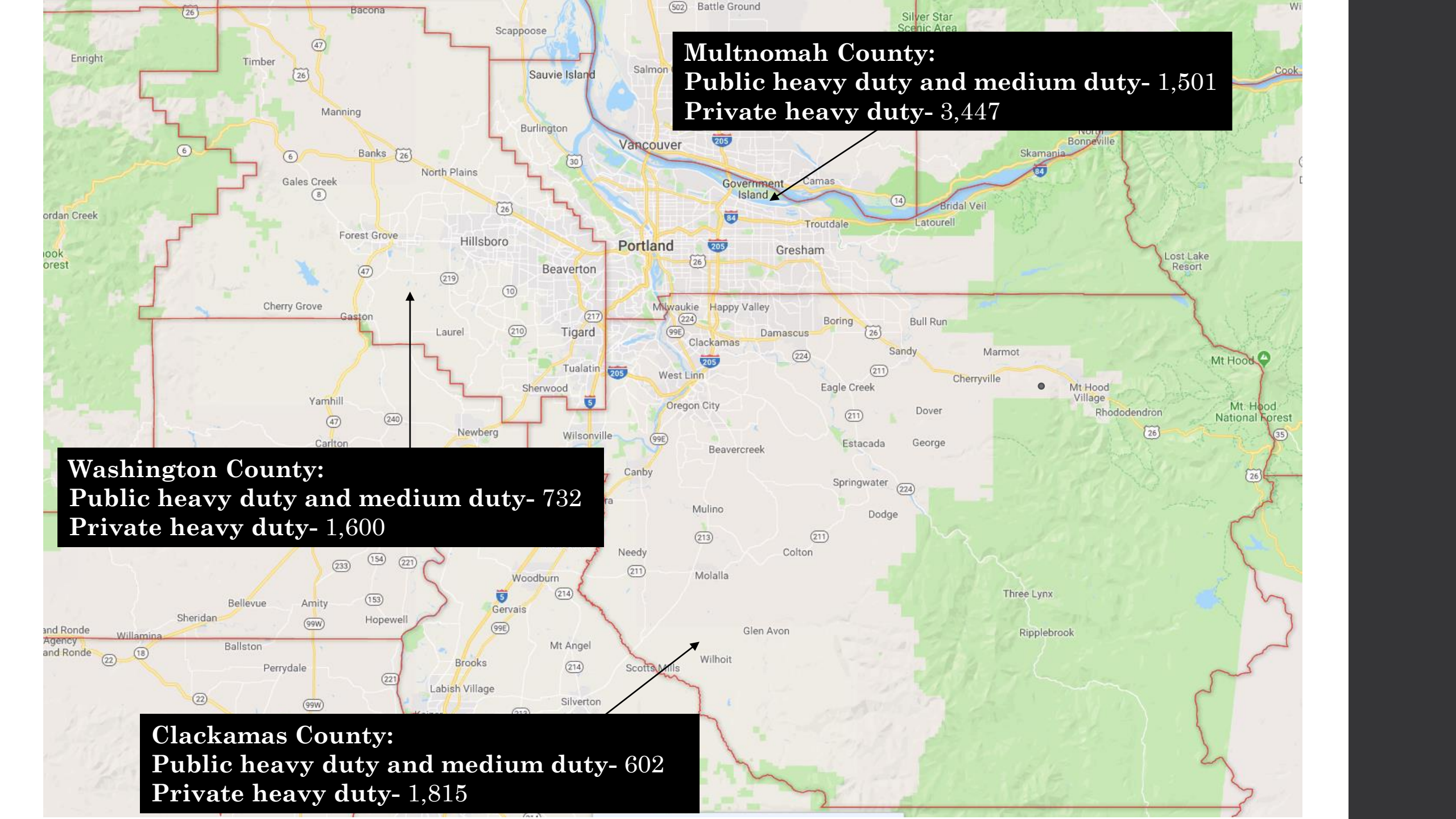
Truck Type	Requirement	Geographic Applicability	Exemptions
<p>Heavy Duty Trucks (>26,000 GVWR)</p>	<p>Trucks must have a model year engine 2010 or newer by 2029.</p> <p>Trucks older than 1996 cannot be registered beginning 2023.</p> <p>Registration refers to trucks registered exclusively in Oregon and trucks who proportionately register for interstate travel with Oregon as their base state.</p>	<p>Clackamas County, Washington County, Multnomah County</p>	<ul style="list-style-type: none"> • Trucks retrofitted with a Verified Diesel Emission Control System • Emergency vehicles/ firefighting vehicles • Military tactical support vehicles • Farm/Husbandry • Motor homes • Antique (AQ) plates • Low use exemption (demonstrate the vehicle is under 5,000 miles per year)
<p>Medium Duty Trucks (14,000-26,000 GVWR)</p>	<p>Trucks must have a model year engine 2010 or newer by 2029.</p> <p>Trucks older than 1996 cannot be registered beginning 2023.</p>	<p>Clackamas County, Washington County, Multnomah County</p>	<ul style="list-style-type: none"> • Trucks retrofitted with a Verified Diesel Emission Control System • Emergency vehicles/ firefighting vehicles • Military tactical support vehicles • Farm/Husbandry • Motor homes • AQ plates

Private Fleet Phase Out Schedule

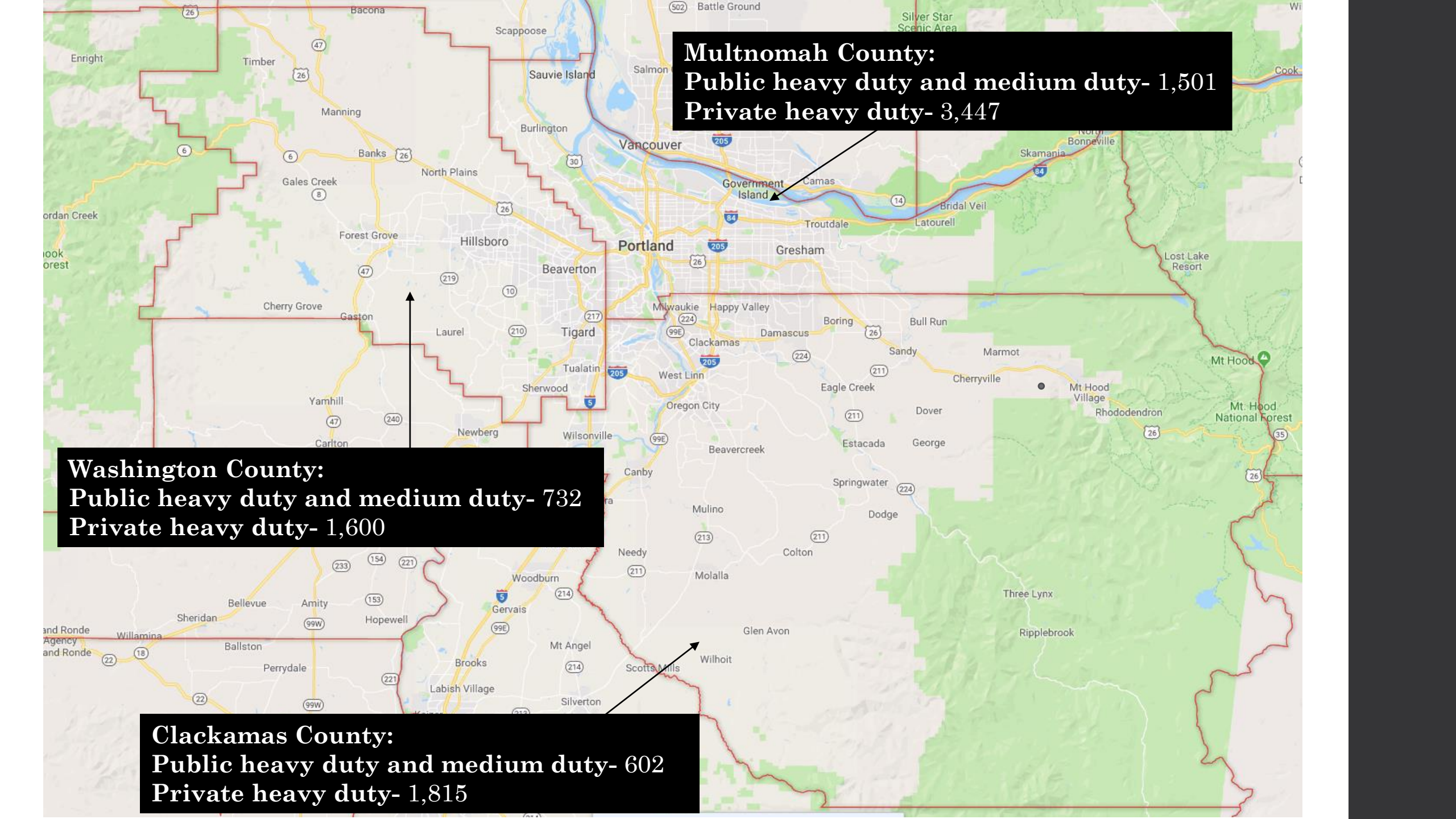
Truck Type	Requirement	Geographic Applicability	Exemptions
Heavy Duty Trucks (>26,000 GVWR)	<p>Trucks must have a model year engine 2007 or newer by 2029.</p> <p>Trucks older than 1996 cannot be registered beginning 2023.</p> <p>Registration refers to trucks registered exclusively in Oregon and trucks who proportionately register for interstate travel with Oregon as their base state.</p>	Clackamas County, Washington County, Multnomah County	<ul style="list-style-type: none"> • Trucks retrofitted with a Verified Diesel Emission Control System • Emergency vehicles/ firefighting vehicles • Military tactical support vehicles • Farm/Husbandry • Motor homes • AQ plates • Low use exemption (demonstrate the vehicle is under 5,000 miles per year)
Medium Duty Trucks (14,000-26,000 GVWR)	<p>Trucks must have a model year engine 2010 or newer by 2029.</p> <p>Trucks older than 1996 cannot be registered beginning 2023.</p>	Clackamas County, Washington County, Multnomah County	<ul style="list-style-type: none"> • Trucks retrofitted with a Verified Diesel Emission Control System • Emergency vehicles/ firefighting vehicles • Military tactical support vehicles • Farm/Husbandry • Motor homes • AQ plates



Multnomah County:
Public heavy duty and medium duty- 1,501
Private heavy duty- 3,447



Washington County:
Public heavy duty and medium duty- 732
Private heavy duty- 1,600



Clackamas County:
Public heavy duty and medium duty- 602
Private heavy duty- 1,815