METRO
2019 LEGISLATIVE ISSUE IDENTIFICATION

Department: Property & Environmental Services **Date:** Oct. 15, 2018

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ISSUE: Clean Diesel

BACKGROUND: The health and environmental effects of diesel emissions have been the subject of extensive research throughout the world. Health experts have concluded that diesel exhaust is a known human carcinogen at exposure levels seen in many parts of Oregon and particularly the Portland metropolitan region. These levels of exposure can also lead to increased risk of cardiovascular and respiratory diseases, especially in children and the elderly. Diesel emissions also include black carbon, which is a potent contributor to climate change.

The Oregon Department of Environmental Quality estimates the annual health and environmental impacts in Oregon associated with emissions from highway, non-road (e.g., construction equipment), marine and locomotive diesel vehicles to be as high as 460 premature deaths per year with annual costs from exposure at $3.5 billion. While U.S. emissions standards for diesel engines have been tightened dramatically over the last 20 years, diesel engines have a long life that can be extended even more by rebuilding these engines. The current projected rate of turnover to new engines likely means that the benefits from these tighter standards will not be fully realized within Oregon for many more years.

Reducing greenhouse gases and diesel particulate emissions is a goal of Metro's Regional Waste Plan (RWP) and Regional Transportation Plan (RTP). Our Climate Smart strategy also calls for reducing emissions from all transportation sources, including diesel. Over the past several years, Metro has undertaken multiple efforts to reduce diesel emissions including: requiring trucks with best available emission technology for long-hauling the region's garbage to the landfill in Gilliam County; implementing and providing funds for a program to retrofit 119 of the most polluting garbage trucks in the Metro area; working with a wide range of partners to address barriers to the conversion of diesel truck fleets to CNG; making RFFA investments in TriMet diesel bus filter installation and school bus retrofits; and submitting letters of support for FTA grants for TriMet's and SMART's conversion to non-diesel buses (CNG and electric buses).

The federal Diesel Emissions Reduction Act (DERA) of 2005 provided funds for projects in Oregon for several years. However, by 2014 DERA funds had diminished and sufficient state funds have not been made available to address the scope of the problem. In 2016, Volkswagen agreed to a nationwide settlement of $2.9 billion to address diesel air pollution emitted by Volkswagen passenger vehicles. The agreement infused new funding for states to address diesel pollution as long as the activities funded are permitted by the settlement agreement. Oregon is to receive approximately $72 million of the VW funds to address the reduction of diesel emissions from transportation sources. The Oregon Department of Environmental Quality (DEQ) is the designated recipient for the Volkswagen settlement funding for Oregon and must submit a plan on its use of

the funds to the nationwide trustee for the funds. In 2017, the Legislature directed the DEQ to include a request to allocate upwards of $32 million to scrap/replace or retrofit exhaust controls of upwards of 450 school buses.

Legislation is expected to be introduced in 2019 to address diesel emissions. The bill may include provisions similar to previous clean diesel bills, including:

- **Further direction from the legislature to DEQ on VW funds:** Where should the remaining $40 million in Volkswagen settlement funds be directed? Examples include providing funds for an incentive program or providing seed funding for a new regulatory program.

- **Increase the use of clean diesel on public contracts:** Require that a portion of contracts (for example, 1%) be reserved for that purpose; alternatively, establish minimum clean diesel specifications in public contracts. Metro is working with partners in the metropolitan region to develop clean diesel contract specifications that may provide a model for statewide legislation.

- **Establish emission requirements and provide incentives to reduce emissions from both on-road and non-road diesel engines:** Through a combination of new state rules and funding mechanisms, reduce the number of older diesel engines, focusing on priorities such as protecting vulnerable populations.

- **Establish a non-road diesel registration program:** The program would provide needed information about the scope of the non-road diesel issue.

RECOMMENDATION: Support through testimony, letters and similar means.

LEGISLATIVE HISTORY: In 2015, bills were introduced, but failed to pass, that addressed diesel emission issues through a variety of means. Senator Dembrow led a workgroup in 2016 to discuss issues raised during the 2015 session. While broad bills to reduce diesel emissions have been introduced since then, passage of a provision directing DEQ to fund school bus replacement is the Legislature's most notable accomplishment.

OTHER INTERESTED PARTIES: Sen. Dembrow's workgroup included several legislators and elected local government representatives including Councilor Sam Chase. Participants also include industry and union associations; several companies potentially impacted by the legislation; and public interest groups. Reducing diesel emissions continues to be a high priority of community groups and local governments in the Portland region. Councilors Chase and Stacey have both participated in recent community discussions on air quality that addressed diesel emissions.

IMPACT IF PROPOSED ACTION OCCURS:

- Supports Metro's desired outcomes for successful communities, including clean air and water and that the region is a leader in minimizing contributions to climate change.
- Supports Metro's 2014 Climate Smart strategy and Regional Transportation Plan.
- Supports improving the sustainability of our regional solid waste system by reducing the impact of solid waste garbage and recycling vehicles.