

## HB 2814 -1, -3 STAFF MEASURE SUMMARY

### House Committee On Energy and Environment

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**Meeting Dates:** 3/3, 3/8, 4/12

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#### WHAT THE MEASURE DOES:

Directs Environmental Quality Commission (commission) to establish and implement indirect source review program to control emissions of air contaminants from or associated with indirect sources of air pollution. Directs commission to require the owner or operator of the indirect source emissions that create or are likely to create significant air quality concerns to notify affected residents and businesses in the geographic area affected by the emissions. Takes effect on 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

- Populations with higher exposure to diesel pollution
- Oregon's lack of an inventory of indirect sources
- Potential negative impacts of emissions on human health
- Possible costs on impacted industries (e.g. farming)

#### EFFECT OF AMENDMENT:

-1 Directs Environmental Quality Commission (commission) to establish standards for indirect sources of air contamination and adopt rules establishing an indirect source review program to control emissions of air contaminants from or associated with indirect sources of air contamination. Authorizes the commission to adopt rules for implementing indirect source review program, including but not limited to, requiring permits and emissions mitigation payments and notifying the public. Authorizes the commission to establish by rule an emissions mitigation payment to be paid by the owner or operator of an indirect source of air contamination based on the emissions of the indirect source of air contamination that exceed the standards established by the commission. Establishes the Indirect Source Emissions Mitigation Fund in the State Treasury, separate and distinct from the General, consisting of emissions mitigation payments and continuously appropriated to the Department of Environmental Quality for reducing public exposure to air contaminants emitted from mobile sources of air pollution associated with or attracted to indirect sources of air contamination.

-3 Requires Department of Environmental Quality (DEQ) to study program and policy approaches to reducing diesel engine emissions attributable to indirect sources of air contamination. Requires the study to include, but need not be limited to: 1) an evaluation of diesel emissions reductions attributable to commodity transactions; 2) an evaluation of available approaches, tools, and models for quantifying the diesel emissions and public health impacts attributable to different types of indirect sources of air contamination; 3) an evaluation of programs and policies in other jurisdictions designed to reduce emissions attributable to indirect sources of air contamination. Requires DEQ to submit a report to the interim committees of the Legislative Assembly related to the environment no later than September 15, 2022. Requires the report to include the findings of the DEQ study related to diesel emissions and recommendations for a framework for reducing diesel engine emissions attributable to indirect sources of air contamination, which may include recommendations for legislation. Sunsets study and report requirements on January 2, 2023. Takes effect following adjournment sine die.

- *FISCAL: Costs related to the measure may require budgetary action; warrants a subsequent referral to Joint Ways and Means*
- *REVENUE: No Revenue Impact*

**BACKGROUND:**

Indirect sources of air pollution are activities or places that attract mobile sources of air pollution, such as vehicles and other motorized equipment. The federal Clean Air Act (CAA) authorizes states to regulate indirect sources. Chapter 468A of Oregon Revised Statute, as well as the CAA, allow the Environmental Quality Commission to regulate air quality in Oregon. 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. House Bill 2007 (2019) directs 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 also establishes a task force to consider public funding strategies to support businesses that use diesel engines to reduce emissions.

House Bill 2814 would direct the commission to establish and implement an indirect source review program to control emissions of air contaminants from or associated with indirect sources of air pollution and require the operator of the indirect source emissions that may be responsible for significant air quality concerns to notify affected residents and businesses in the geographic area affected by the emissions.