

January 30, 2023

Representative Pam Marsh  
House Committee on Climate, Energy and Environment  
Oregon State Legislature  
900 Court St. NE  
Salem, OR 97301

**Re: HB 2714 - SUPPORT**

Chair Marsh and Members of the Committee:

TriMet is Oregon's largest regional transit provider, serving more than 1.6 million people across our 533-square mile service district in the tri-county Portland metro area. We write today in support of HB 2714, which would direct DEQ to establish a Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund and rebate program.

Transportation is the largest source of greenhouse gas emissions in the state of Oregon, and transit plays a leading role in reducing those emissions by replacing millions of car trips every year. However, with about 700 diesel buses in our fleet, TriMet is also the largest consumer of diesel fuel in Oregon. Our 2021 switch to renewable diesel, combined with our move to renewable energy for our electric MAX light rail system and all TriMet-owned facilities, has reduced our GHG emissions by nearly 70% in less than a year's time. In spite of this progress, we recognize that transitioning away from diesel buses entirely is critical to reducing harmful diesel emissions and addressing the climate crisis locally. That's why TriMet is planning to operate a 100% zero-emission bus fleet by 2040.

TriMet is already moving away from the purchase of new standard diesel buses by purchasing battery electric buses as our current buses retire and we expand service. Our current order of 24 long-range battery electric buses will be arriving in late 2023, and will expand TriMet's current battery electric bus fleet to 34 vehicles by mid-2024. Transitioning to zero-emission buses is critical to reaching our 2040 goal, but it is also prohibitively expensive. Each battery electric bus we purchase costs roughly \$1 million—almost double that of a diesel bus—and building out the fueling and charging infrastructure necessary to power a fleet of over 700 zero-emission buses also carries significant cost. All told, TriMet estimates that our transition to a 100% zero-emission bus fleet will cost the agency more than \$2 billion over the next 20 years—about \$1 billion in excess of what replacing our existing bus fleet with new diesel vehicles would cost, and more than our expected revenues can support.

House Bill 2714 is well-timed to help position Oregon to be competitive in pursuing federal funding for its medium- and heavy-duty (MHD) zero-emission vehicle (ZEV) transition. The Inflation Reduction Act (IRA) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ) offer competitive funding for MHD ZEVs in the form of tax credits, matching dollars, ZEV infrastructure incentives, and planning grants. California's rebate program currently provides \$85,000 rebates for class 6-7 vehicles and an additional 15% for transit buses, an incentive of nearly \$100,000 per bus. Oregon needs to create its own zero-emission MHD rebate program in order to compete with California and other states to better position ourselves for these federal funding opportunities.

TriMet also appreciates that HB 2714 is technology-agnostic. Before we can move to a zero-emission bus fleet, we need to determine what mix of technology is right for our system and our region. We've been testing battery-electric buses since 2019, while continuing to explore other technologies like hydrogen fuel cell. We're learning as we evaluate what is right for the bus fleet of our future, and we believe it's important that Oregon's MHD ZEV rebate incentivizes the purchase all available forms of zero-emission vehicle technology.

House Bill 2714 presents a unique opportunity for Oregon to secure significant federal funding and help aid our state's transition to medium- and heavy-duty zero-emission vehicles. TriMet urges your strong support for the bill; thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Miles Pengilly', is positioned above the typed name.

Miles Pengilly  
State Government Affairs Manager  
TriMet