

# Heavy-Duty Engine and Vehicle Omnibus Rule Update 2024

## Advisory Committee Meeting

April 11, 2024

# Agenda

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- Welcome; Introductions; Ground rules
- Background and overview of heavy-duty omnibus rule
- Review and discussion
  - Draft rules
  - Fiscal and economic impact
  - Racial equity impact
- Public comment period
- Next steps

# Ground Rules

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- Prepares for and sets aside time for the meetings;
- Provides DEQ staff with copies of relevant research and documentation cited during the meeting;
- Comments constructively and in good faith;
- Consults regularly with constituencies to inform them on the process and gather their input;
- Treats everyone and their opinions with respect;
- Allows one person to speak at a time;
- Is courteous by not engaging in sidebar discussions; and
- Avoids representing to the public or media the views of any other committee member or the committee as a whole.
- Raises hand when wishing to speak

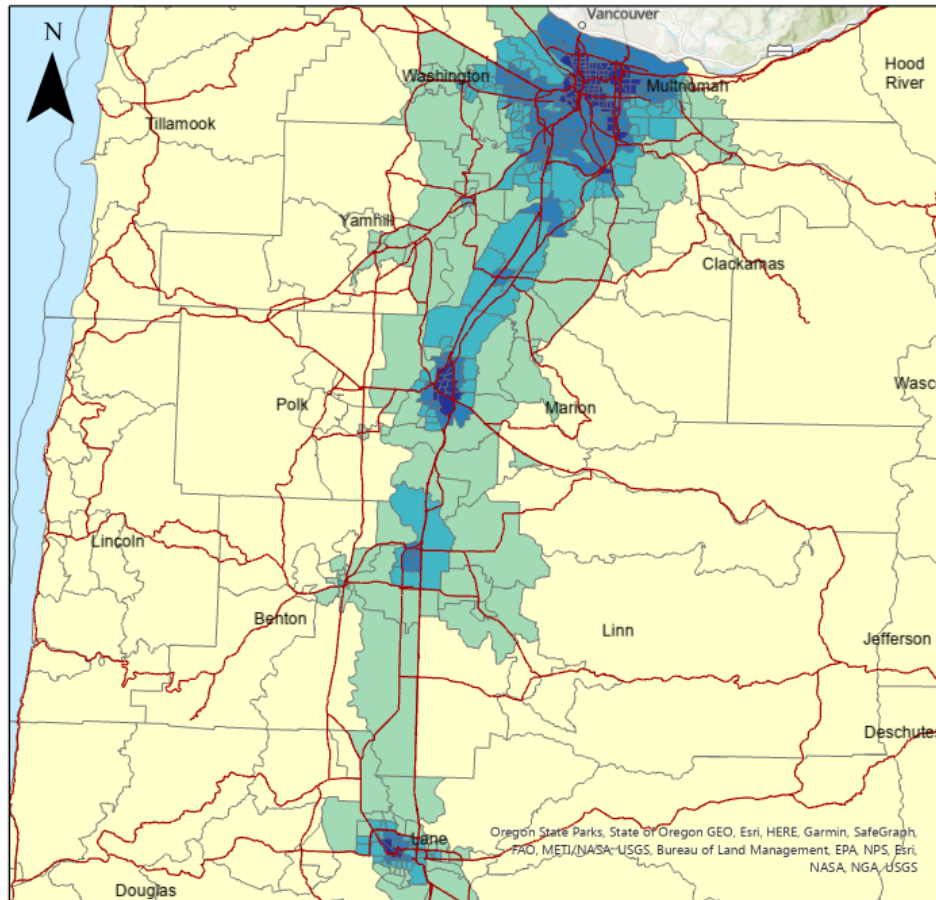
# Background: Diesel Impacts



## Willamette Valley 2019 ATS Cancer Risk- Diesel Particulate Matter

Cancer Risk By  
Census Tract:  
Lowest Risk Yellow  
and Highest Dark  
Blue

References:  
EPA AirToxScreen (ATS) 2019  
Ambient Concentration data for Diesel  
PM; CAO Diesel PM Cancer Toxicity  
Reference Value. Map made by AQ  
Technical Services.

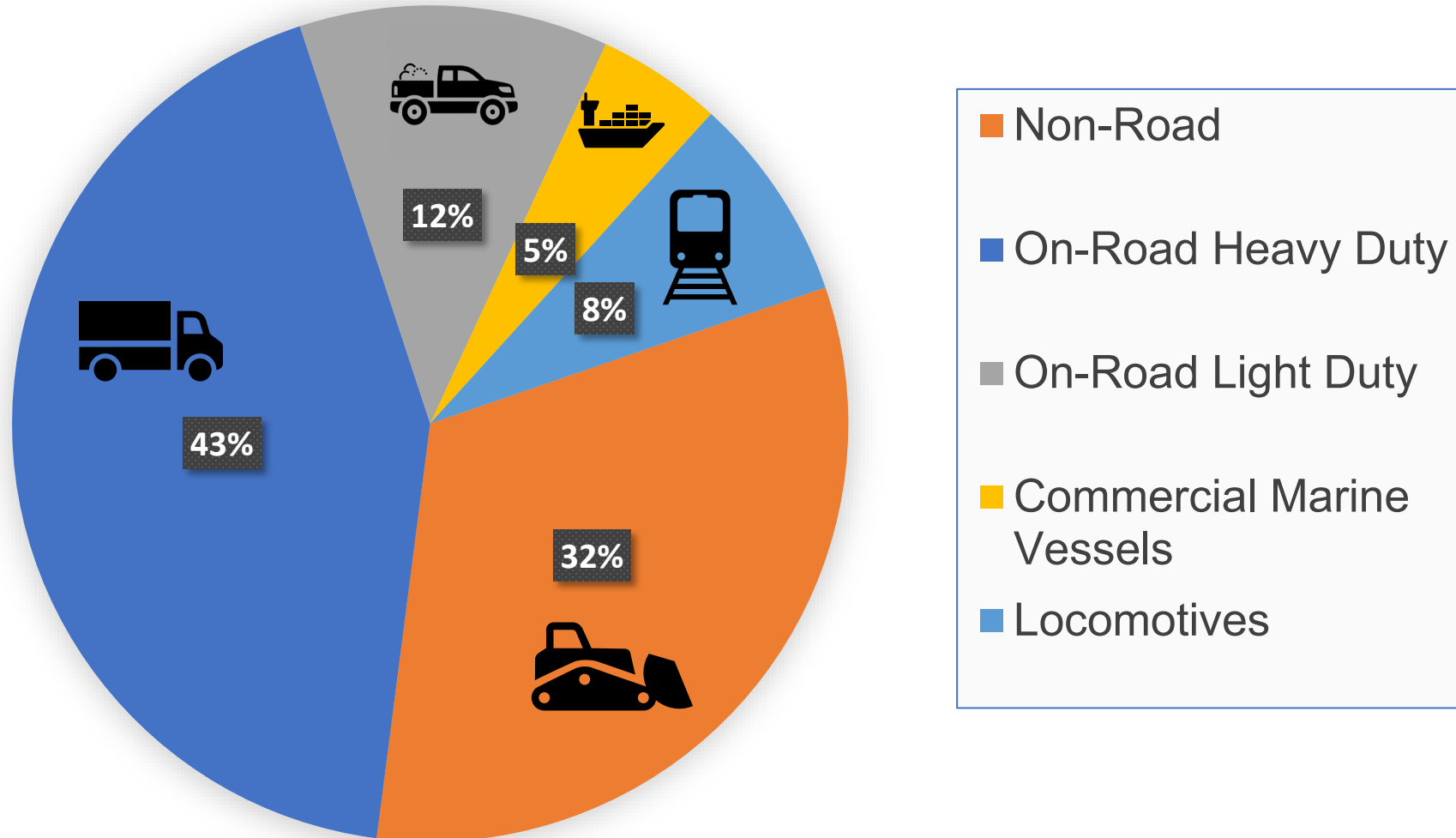


Date Map Created: 06/29/2023  
Data Source: \\deqh1\1\1\Files\Area and Point Source Inventories\Ppresentations\EQ\DPMaps\2019  
DPMqry\_OR\_DPM\_TotalAmbConc.xlsx

- Diesel PM causes cancer and other negative health effects
- Diesel exhaust is a major contributor to smog-forming pollution
- Diesel exhaust disproportionately impacts communities of color

# Background: Sources of Diesel Particulate

(2020 state level data)



# Background: Heavy-Duty Low NOx Omnibus Rule

- Legal Authority
- Adopted by EQC in Nov. 2021
- Omnibus Rule Elements
  - Lower NOx and PM<sub>2.5</sub>
  - New low load standard
  - Longer Warranty Periods
- Applicability
- Exemptions



# Background: Timeline of Recent Actions

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What has happened since Oregon adopted these rules?



# Background: Legacy Engines and CARB Amendments

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- Legacy engine sales – a transition flexibility
  - Emissions neutral
  - Excess emission offsets required
- CARB Omnibus amendments
  - Increase in volume of legacy engines that can be sold
  - Can sell legacy engine before compliant engine is certified
  - Offset projects can start as early as 2024 (2025 in OR)



# Background: Temporary Rule Adoption

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- Omnibus implementation delayed for one year
  - Temporary rule effective for 180 days (from Nov. 16, 2023)
  - Addressed purchaser concerns regarding vehicle supply restrictions in 2024
  - Allowed more time for CARB to adopt amendments (Dec. 28, 2023)
  - Development of legacy engine offset project criteria

# Heavy-Duty Engine and Vehicle Omnibus Rule Update Language

# Draft Rules – Overview

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- One-year delayed implementation (codify temporary rule)
- Adoption of recent CARB amendments
- Clarifying definitions
- Clarifying engine label requirements
- Exemption discussion

# Draft Rule Review – Delayed Implementation

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- Change applicable Omnibus rule model years as adopted under the temporary rule:
  - Engine Model Year 2024 → 2025
  - Vehicle Model Year 2025 → 2026
- Rule sections:
  - OAR 340-261-0020
  - OAR 340-261-0040
  - OAR 340-261-0050

# Draft Rule Review – CARB Amendments

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- Incorporate recent CARB amendments – Dec. 28, 2023
- Adopting amendments by reference under OAR 340-261-0050
  - Updating effective date to Dec. 28, 2023

# Draft Rule Review – Definitions

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Clarify definitions related to emission offset projects connected to legacy engine sales under OAR 340-261-0030

- “Disadvantaged community” means an area with the highest diesel emission concentrations, vulnerable populations, and population densities as shown in Figures 1 through [X].”
- “Vulnerable populations” means people under the age of 14 and over the age of 64, Black, indigenous, and people of color, people with a household income that is less than or equal to twice the federal poverty level, people who are linguistically isolated, and people age 25 or older who have not earned a high school diploma or passed a General Educational Equivalent test.

# Draft Rule Review – Engine Labeling

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- Added clarity regarding substitutions for “California” or “CA”
- Ensure that manufacturers are clear that dependent on context they should substitute “Oregon” or “OR” under OAR 340-261-0050
- Attempts to address any manufacturer engine labelling concerns

# Draft Rule Review – Discussion

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## Exemptions:

- No additional vehicle sectors or classes exempted
- Prior feedback received regarding specific sectors
- Additional comments and feedback requested on vehicle sector exemptions



# Fiscal and Economic Impact Analysis

# Fiscal and Economic Impact Statement

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As ORS 183.333 requires, DEQ will ask for the committees' recommendations on:

- Whether the proposed rules would have a fiscal impact
- The extent of the impact
- Whether the proposed rules would have a significant adverse impact on small businesses and complies with ORS 183.540
- The committee will review the draft fiscal and economic impact statement and will share its comments

# FEIS – Impact to Large Businesses (manufacturers)

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DEQ determined that there are no direct costs of the proposed rule changes on manufacturers.

## **Direct benefits:**

Compared to the status quo DEQ expects increased sales from:

- Avoided 2024-2026 market disruptions due to temporary manufacturer product holds
- Larger volume of legacy engine sales in 2025 and 2026

# FEIS – Impact to Large Businesses (others)

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- Dealers
  - Indirect benefits: Dealers may see increased sales
- Warranty Repair Shops
  - Indirect costs: Lower demand for warranty repairs
- Vehicle Purchasers
  - Indirect benefits:
    - Increased product availability in 2025-2026
    - Cost savings on 2024 vehicles due to lower lifecycle Diesel Exhaust Cost savings related to avoided potential market disruptions in 2024

# FEIS – Impact to the Public

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- Direct costs:
  - There are no direct costs to the public under this proposed rule
- Indirect costs:
  - New, conventionally fueled medium- and heavy-duty vehicles sold in 2024 will not be 75% lower NOx emitting as originally intended.
  - Increased number of legacy engine sales over the 2025-2026 period may lead to greater than expected amounts of diesel pollution for near-road communities (though no net increase is expected due to offset requirements)
- Indirect benefits:
  - Any emission offset projects will be focused on areas where people experience the highest concentrations of diesel pollution and where the population is most vulnerable

# FEIS – Impact to State and Local Governments

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DEQ determined that there are no direct costs to state agencies and local governments under the proposed rules.

## **Indirect benefits (for all vehicle purchasers):**

- Increased product availability in 2025-2026
- Cost savings on 2024 vehicles due to lower lifecycle Diesel Exhaust Fluid (DEF)
- Cost savings related to avoided potential market disruptions in 2024

# FEIS – Impact to Small Businesses (purchasers)

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DEQ determined that there are no small businesses that are directly affected by the proposed rules.

## **Indirect benefits (for all vehicle purchasers):**

- Increased product availability in 2025-2026
- Cost savings on 2024 vehicles due to lower lifecycle Diesel Exhaust Fluid
- Cost savings related to avoided potential market disruptions in 2024

# FEIS – Impact to Small Businesses (others)

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- Dealers
  - Indirect benefits: Dealers may see increased sales
- Warranty Repair Shops
  - Indirect costs: Lower demand for warranty repairs



# FEIS – Advisory Committee Feedback

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## Questions for Advisory Committee:

1. Are there any additional significant adverse impacts on small businesses that would result from the proposed rule?
2. Any other questions or comments?

# Racial Equity Impact Statement

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ORS 183.335(2)(a)(F) as amended by HB 2993, requires state agencies, when providing notice of a rulemaking, to provide a statement identifying how adoption, amendment or repeal of the proposed rules will affect racial equity in the state.

DEQ is asking for the RAC's input on how adoption of this rule may affect racial equity in the state.

# Racial Equity Statement

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- Disproportionate impacts of diesel exhaust
  - Risks associated with no delay
  - Least harm approach
- Proposed rules
  - Limit rule legal challenge risk
  - Preserve overall, long-term reductions
  - Ensure emission offset projects will be focused Oregon-specific disadvantaged communities

# Public Comment Period

# Public Comment Instructions

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To verbally ask a questions or make a comment:

- If you have joined by Zoom, click “Raise Hand”
- If you have joined by phone, press \*9 to raise your hand
- If you are commenting by phone, dial \*6 to unmute
- Please provide your name and affiliation
- Attendees will be allocated reasonable time for public comment depending on the number of commenters

# Next Steps

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- Notice of Proposed Rulemaking: April/May
- Public Hearing: mid-May 2024
- Submission of rulemaking package to DEQ Director: June 2024
- Please email any additional comments by Friday April 19 to: [HDDiesel.2024@DEQ.oregon.gov](mailto:HDDiesel.2024@DEQ.oregon.gov)

[Visit the rulemaking web page.](#)

# Title VI and alternative formats

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