

Carbon Reduction Program

Background

The new Carbon Reduction Program provides funds for projects that reduce greenhouse gas emissions from transportation. States, in coordination with metropolitan planning organizations (MPOs), shall develop a Carbon Reduction Strategy that supports reduction in transportation emissions, identifies projects and strategies, and is appropriate to state population density and context. The first Carbon Reduction Strategy is required within two years and updated every four years.

Eligible Activities

Eligible projects include:

- traffic monitoring, management, and control facilities;
- public transit projects; bike,
- pedestrian and non-motorized facilities;
- advanced transportation and congestion management technologies;
- infrastructure-based intelligent transportation systems;
- energy efficient street lighting and traffic control devices;
- managing or shifting demand, including congestion pricing, tolling and transportation demand management strategies;
- alternative fuel projects, including public charging, hydrogen, natural gas and propane fueling and zero-emission equipment and vehicle purchases;
- diesel retrofits; and
- projects that reduce truck impacts or port emissions, including port electrification.

Funding

Oregon will receive \$82 million over the five years of the IIJA. The federal share is 80 percent and 20 percent match is required.

Consistent with requirements in the IIJA, ODOT proposes dividing funds in three ways:

1. The three large metropolitan planning organizations (known as transportation management areas or TMAs), in the Portland, Eugene, and Salem areas, receive a statutory allocation of funding based on population (\$27.6 million over 5 years)
2. ODOT will award funds to smaller urban MPOs and rural areas (\$26 million over 5 years)
3. ODOT has discretion over funds that can be used in any area of the state (\$28.9 million over 5 years)

ODOT's Proposed Program Approach

Oregon's Statewide Transportation Strategy (STS), which was created in coordination with MPOs, other state agencies, local jurisdictions and a broad array of stakeholders, will serve as the base of the Carbon Reduction Strategy. It identifies Vehicles, Fuels, Pricing, Transportation Options, System Improvements and Land Use strategies to reduce greenhouse gas emissions from transportation. The STS will be adapted to meet the needs of the Carbon Reduction Strategy once

federal guidance is issued and in consultation with Oregon's MPOs and other key stakeholders. Additionally, ODOT will incorporate its Operations, Materials and Fuels Greenhouse Gas Reduction Recommendations as part of the Carbon Reduction Strategy.

Because funding for the Carbon Reduction Program is divided three ways, ODOT proposes that each allocation be uniquely managed, consistent with federal guidance and the Carbon Reduction Strategy, as follows:

- **TMA:** Money will be directly awarded to the TMAs and they will decide how to use their suballocated funds. ODOT may act as a convener among the TMAs and the state to coordinate investments within the respective allocations.
- **MPOs and Rural Areas:** ODOT will form an advisory group to develop a competitive grant program for these funds. Advisory group members will consist of representatives from MPOs, rural areas, and other local jurisdictions, in addition to advocacy/interest groups, technical experts, and community-based organizations to help inform project guidelines and selection.
- **ODOT:** ODOT will solicit feedback from the Advisory Committee described above on how to prioritize state Agency investments and will specify approaches in future iterations of the Carbon Reduction Strategy.