

# Draft Rule Review – Diesel Emissions Mitigation Grant Program

Aug. 17, 2020

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# Webinar Overview

## Your Participation

Open and close your control panel

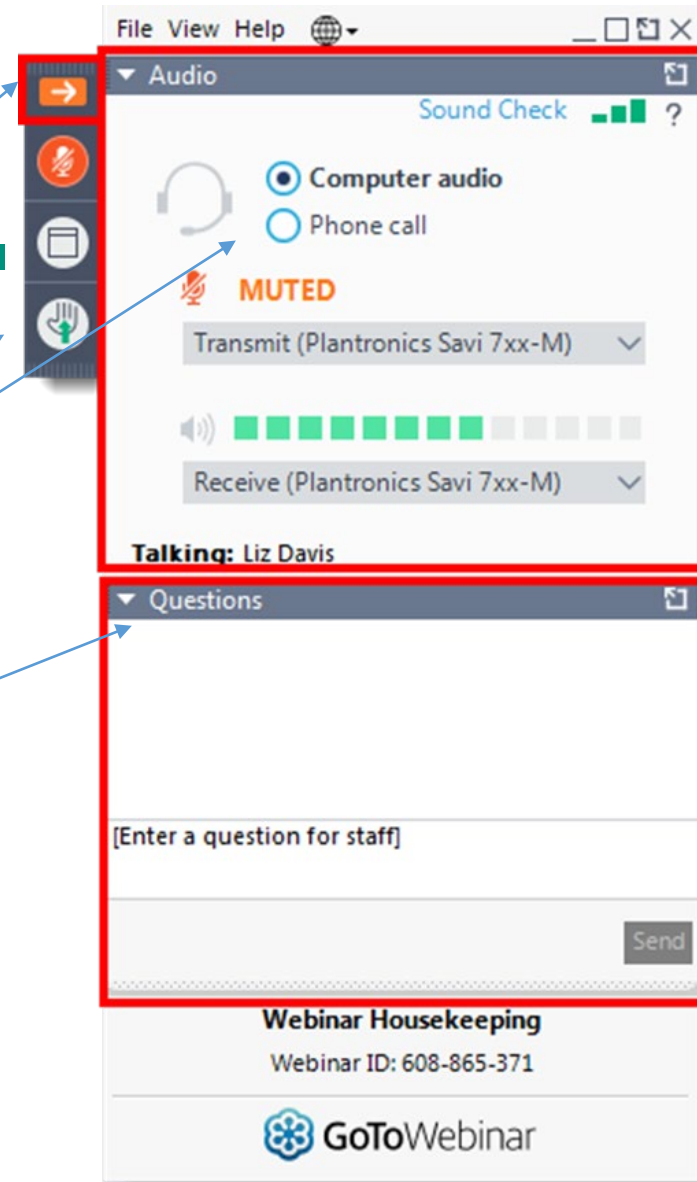
*Join audio:*

- Choose **Mic & Speakers** to use VoIP
- Choose **Telephone** and dial using the information provided

*Participate:*

Raise your **hand** to be called on  
Submit questions and comments via the **Questions** panel

**Note:** Today's presentation is being recorded and will be provided within 48 hours.



# Ground Rules

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- Listen respectfully
  - Speak from interests
  - Share airtime
  - Participate fully
  - Demonstrate curiosity
  - Silence noisemakers
- 
- And, for online meetings – use headphones if you have them.

# Agenda

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- Welcome and introductions
- Ground rules and webinar overview
- Highlight key rule changes
- Fiscal Impact Statement
- Public Comment
- Next steps
- Adjourn

# Summary

The purpose of this presentation is to provide committee members a summary of recent changes to the rule language guiding DEQ's Diesel Emissions Mitigation Grant Program

Each slide will address one new change in the rule language, any key issues, and questions for committee. Please follow along with a copy of the rule language overview.

## **Rule Text:**

- Language or summary of draft rules to inform committee discussion

## **Key Issues:**

- Policies important to reduce emissions, support applicants, and promote grant funding

## **Questions for Committee:**

- Requests for feedback and committee expertise to inform DEQ's proposed approach

# 340-255-0020(45) - Definition of Small Fleet

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## **Rule Text:**

- New definition as required by HB 2007 but previously undefined
- “Small fleet” means fleet size of 9 or fewer heavy and medium duty diesel vehicles.

## **Key Issues:**

- Definition will determine the award of preference among certain applicants
- Includes all types of diesel equipment that will be eligible for grant funding

## **Questions for Committee:**

- Given HB 2007’s intent to provide additional support to small businesses, how should the threshold of “Small Fleet” be set relative to ownership of diesel vehicles and equipment?

# 340-255-0020(49) - Definition of Vulnerable Populations

## **Rule Text:**

- “Vulnerable Population” 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 (GED) test.

## **Key Issues:**

- “Reduce diesel emissions in areas of the state with the highest diesel emissions, highest vulnerable populations, and the highest population density.”
- Set a clear and objective standard for how this criterion is measured and implemented.

## **Questions for Committee:**

- Feedback on this definition?

# 340-255-0040(9) - Providing Technical Assistance

## **Rule Text:**

- Grant funding may also be awarded to provide technical assistance for a project in support of Disadvantaged, Minority, Women, or Emerging Small Business (DMWESB) or Service Disabled Veteran Business (SDVB) applicants as certified by the State of Oregon Certification Office for Business Inclusion and Diversity, based on a request and a statement of need, and not to exceed 7% of total maximum reimbursement amount available for project costs.

## **Key Issues:**

- Technical assistance will also be available for all applicants from DEQ staff
- DEQ will provide applicants with an option to request support for technical assistance as described, based on the current EPA model for competitive DERA grant applications.

## **Questions for Committee:**

- How would you like to see this component of the program work?



# 340-255-0050 - Ensuring Tribal Eligibility

## **Rule Text:**

- To apply for funding under this division, a person (as defined in OAR 340-200-0020, including individuals, corporations and government entities) or one of Oregon's federally recognized tribes must submit a completed grant application form provided by DEQ and submit it to DEQ prior to a grant funding deadline announced by DEQ. Such an applicant must:

## **Key Issues:**

- None

## **Questions for Committee:**

- Open for comments

# 340-255-0050(1) - Allowing Third Party Applicants

## **Rule Text:**

- Own equipment that is eligible for a grant under OAR 340-255-0030 that is based in Oregon and currently operating in Oregon or apply on behalf of the owner with their express written permission;

## **Key Issues:**

- Based on federal Environmental Protection Agency authorization for nonprofit organizations to apply on behalf of diesel equipment owners for Diesel Emissions Reduction Act grants

## **Questions for Committee:**

- Do you agree that this provision will help expand the capacity of diesel equipment owners that may need additional support preparing an application?
- Do you have specific concerns with this approach?

# 340-255-0050(5) - Flexibility on Three Bids

## Rule Text:

- (5) Provide proof of solicitation of at least three competitive bids for project expenses as well as low-cost or best-value rationale for selected bid. If an applicant cannot solicit three competitive bids for project expenses DEQ will provide the following waiver process:
  - (a) DEQ will make a waiver-request form available to applicants that are unable to solicit at least three competitive bids. DEQ will grant waivers of the three competitive bid requirement at its sole discretion, based on DEQ's assessment of whether the costs are reasonable and generally consistent with prices for similar work from other applications and previously funded projects; and
  - (b) DEQ reserves the right to deny applications if the quoted project costs exceed the average prices for similar work from other applications and previously funded projects. DEQ also reserves the right to contact bid providers to clarify project and associated costs;

# 340-255-0070(4) - Program Review

## **Rule Text:**

- DEQ will conduct a review of the Diesel Emission Mitigation Grant Program two years after implementation. The review will include an assessment of emissions reductions, program investments addressing diesel equipment, potential adjustments to improve performance, and will provide an opportunity for community involvement.

## **Key Issues:**

- Ensure program performance, funding accessibility, and emissions reductions
- Track Oregon's progress and provide an opportunity for community involvement

## **Questions for Committee:**

- Do you have any concerns regarding proposed program review requirement?
- How do you recommend DEQ structure the review to be most effective?

# Draft Fiscal Impact Statement - Committee Review and Discussion

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## **Summary:**

- The proposed rules are not anticipated to create negative economic impacts for any entity. The grant program would provide a financial benefit to vehicle and equipment dealers and manufacturers because they would see an increase in sales as a result of the grant funding. The rules would also benefit any individual, corporation, and government entity that owns and operates eligible older diesel vehicles and equipment and that receives grant funding support for the purchase of new, cleaner burning, equivalent equipment.

## **Key Issues:**

- Ensure that Fiscal Impact Statement is accurate and thorough

# Draft Fiscal Impact Statement - Committee Review and Discussion

## Summary, continued:

- Small businesses that choose to apply for funding and sell eligible equipment would benefit from the proposed rules. Under the program rules small businesses would be eligible to apply for grant funding to upgrade or replace eligible diesel vehicles and equipment. Businesses that own qualifying diesel vehicles and equipment and choose to apply for grant funding would be responsible for the costs of preparing and submitting an application. Program rules require DEQ to award preference to grant applications submitted by a disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business. This requirement will create benefits for small businesses.

## Key Issues:

- Ensure that Fiscal Impact Statement is accurate and thorough

# Draft Fiscal Impact Statement - Committee Review and Discussion

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## Questions for Committee:

- Do the proposed rules have a fiscal impact? Yes or no?
  - If yes, what is the extent of the impact?
- Will the proposed rules have a significant adverse impact on small businesses? Yes or no?
  - If yes, how can DEQ reduce the impact?

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Aug. 17th, 2020

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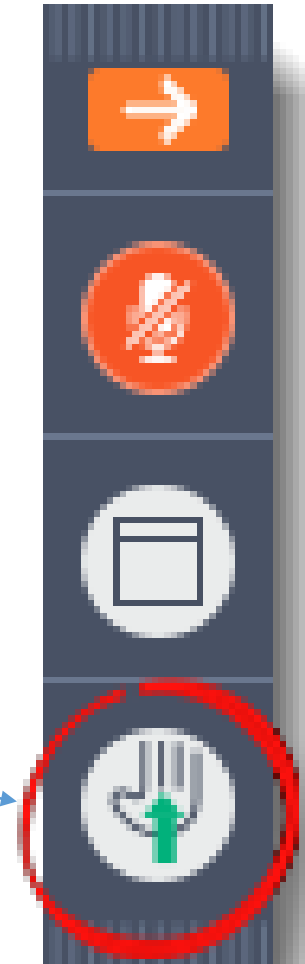


# Public Comment

## Oregon Department of Environmental Quality Division 255 Diesel Emissions Mitigation Grant Program

### Opportunity for public comment

- Time during agenda for public comment
  - To make a verbal comment, **raise your hand**
  - You will be called on and the facilitator will unmute you
  - Please provide your name and address and your comment
  - Your comment will not be responded to
- For written comments please email:  
[VWGrants2020@deq.state.or.us](mailto:VWGrants2020@deq.state.or.us)
- Deadline for written comments is August 24<sup>th</sup>



# Next Steps

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## **Oregon Department of Environmental Quality Division 255 Diesel Emissions Mitigation Grant Program**

### **Preview of Topics for the Next Meeting, August 28<sup>th</sup> at 10:00am – 12:00pm**

- Discuss implementation plans, including;
  - Outreach
  - Technical Assistance
  - Grant Application
  - Review Process
  - Grant Administration
  - Program Review