

HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY

March 21, 1997 Hearing Room E

1:00 P.M. Tapes 41 - 42

MEMBERS PRESENT:

Rep. Leslie Lewis, Chair

Rep. Frank Shields, Vice-Chair

Rep. Michael Fahey

Rep. Dennis Luke

Rep. Mark Simmons

MEMBER EXCUSED: Rep. Mike Lehman

Rep. Jim Welsh

STAFF PRESENT:

Judith Gruber, Policy Analyst

Marjorie Taylor, Administrative Support

MEASURE/ISSUES HEARD:

HB 2937 Public Hearing and Work Session

HB 3121 Public Hearing

Air Quality Education Program

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

Tape/#	Speaker	Comments
TAPE 41, A		
003	Chair Lewis	Calls the meeting to order at 1:25 p.m. and opens the public hearing on HB 2937.
<u>HB 2937</u> <u>PUBLIC</u> <u>HEARING</u>		
005	Judith Gruber	Policy Analyst, summarizes provisions of HB 2937.

017	Rep. Jackie Taylor	State Representative from District 1, explains reasoning behind HB 2937. Residents of Scappoose are required to have emissions testing on their cars even if they don't commute to Portland. Understands the necessity of the testing, but explains that many residents don't commute and therefore don't pollute Portland's air directly. Encourages passage of the bill (EXHIBIT A).
049	Glenn Dorschler	Mayor of Scappoose. Expresses concern about being added to the Portland airshed by the Department of Environmental Quality (DEQ). Explains population statistics related to Scappoose and the Portland airshed. Expresses confusion as to why Newberg, Dundee, and Aurora are not included in the airshed if Scappoose is. Explains that senior citizens in the Scappoose area are on fixed incomes and they rarely travel to Portland so they should not be asked to have their vehicles tested. States that the city of Scappoose, through a process of testifying before the DEQ, has tried to exempt themselves from emissions testing, but the passage of HB 2937 would solve the problem (EXHIBIT B).
090	Rep. Luke	Explains that during the 1993 legislative session, DEQ promised that Newberg and Scappoose would not be added to the Portland airshed. After the session, they were included in the airshed.
101	Dorschler	States that it was a surprise to them also. In comparison, Scappoose contributes a smaller amount of pollution to the airshed than other cities.
107	Rep. Shields	Asks if the bill can be altered to target support for the poor and elderly.
113	Dorschler	Agrees that is a possibility, but believes that people not commuting to Portland for employment should be excluded.
116	Rep. Shields	States that a retired person is probably not commuting to Portland for work.
122	Rep. Taylor	States that there have been meetings with DEQ staff to gain suggestions for language for an amendment.
135	Greg Green	Air Quality Administrator, Department of Environmental Quality. Expresses neutrality towards HB 2937. Explains DEQ concerns with the bill. It will exempt non-commuting vehicles within the vehicle testing boundary but not in the ozone nonattainment area. There are problems with ozone maintenance plan deadlines. Another concern is with the enforceability and verification requirement. There needs to be a mechanism in place to identify non-commuting vehicles (EXHIBIT C).
162	Rep. Fahey	Asks how many cars travel to the Portland airshed from Clark County, Washington and what their testing requirements are.
164	Green	Acknowledges that a large number of vehicles travel from Clark County and that Clark County does have an efficient testing program.
166	Rep. Fahey	Asks how far the Clark County emissions testing boundary goes.

169	Green	Northern Clark County.
171	Rep. Fahey	Asks if Woodland, Washington would be included.
172	Green	Does not know.
173	Rep. Fahey	States that there are probably more cars entering the airshed from Clark County than there are from Scappoose.
178	Green	Restates that Clark County does have a vehicle inspection program, but understands Rep. Fahey's concerns.
180	Rep. Shields	Asks what the implications are for withdrawing the Ozone Maintenance Plan if the bill is passed.
186	Green	States that the Ozone Maintenance Plan is designed to reduce emissions in the Portland airshed from 1996-2006 with April 30, 1997 being the cutoff date for approval of the plan. Explains options before withdrawal.
205	Rep. Shields	Asks what the difference is in having a plan from 1996-2006 or 1997-2007.
207	Green	Explains that industry will pay the price. Restrictions in an ozone attainment area are not as severe as those in the nonattainment areas.
218	Rep. Luke	Points out that if the bill passes it will not become law by 4/30/97. Asks if Multnomah Plywood is included as a pollution source even though it is no longer in operation.
225	Green	Answers affirmatively, but the emissions have been accounted for in the Ozone Maintenance Plan.
241	Rep. Luke	Asks what the top three causes of pollution are in the Portland airshed.
243	Green	The automobile, aerosols, and industry equals about 15% of the pollution in the airshed.
251	Rep. Fahey	States that some charts indicate 70% of pollution coming from wood burning.
254	Green	Previously stated figures are from the Portland area only. State statistics might show wood burning as a major contributor.
256	Rep. Fahey	Asks what would happen if Scappoose was to be removed from the Portland airshed.
260	Green	DEQ regulates industry emissions in Scappoose. Explains that when airshed boundaries are outlined based on industry, an additional 35 km need to be added to the airshed. Acknowledges that DEQ is picking on a portion of the population that does not travel into Portland.
273	Rep. Fahey	Verifies that it is costly for industry to clean up their emissions, but it is more so for people on fixed incomes. Asks if DEQ is trying to make room for industry on the backs of citizens.
282	Green	Acknowledges that many people have similar concerns, but industry has been the major contributor to environmental cleanup.

290	Gruber	Asks what happens if the bill becomes law after 4/30/97.
294	Green	Explains that after 4/30/97 there would have to be a mechanism in place to allow for identification and enforcement of cars commuting to the Portland area.
307	Rep. Luke	Asks how many autos from Scappoose fail the emissions test.
310	Green	States that about 20% vehicles from areas with established testing programs fail the test. Explains that for the first several years in an area without an established program, 30% of vehicles would fail.
317	Rep. Fahey	Asks what happens to individuals who adjust their engines to pass a test and then readjust them for normal operation.
322	Green	Explains that those vehicles are accounted for. The new enhanced program will test vehicles under normal driving conditions.
334	Chair Lewis	Asks what the target percent reduction of volatile organic compounds (VOC) was included in the Ozone Maintenance Plan.
353	Green	Does not have the information.
354	Chair Lewis	Thinks the total was near 40%.
368	Green	Agrees that is close to true.
370	Chair Lewis	Explains that if an enforcement mechanism can be found, only a minor fraction of the airshed would be released from emissions testing.
384	Green	Agrees and indicates that if emissions can't be accounted for, it is hard to find another way to make up for their needed reduction in the airshed.
401	Chair Lewis	States that the removal of Scappoose would be approximately 1/400th of a reduction in the airshed.
TAPE 42, A		
008	Chris Hagerbaumer	Representative, Oregon Environmental Council. Expresses opposition to HB 2937. States that the bill will allow contributors to the pollution problem in Portland to escape emissions testing. States that ozone pollution is a serious problem in Portland. Explains that the pollutants that cause smog can travel great distances. For example, pollution from St. Louis can cause problems in New York (EXHIBIT D) .
030	Rep. Luke	Asks to see the data related to pollution in New York from St. Louis.
033	Hagerbaumer	Offers to investigate.
034	Hagerbaumer	Explains that DEQ is responsible for studying pollution in Oregon. States if HB 2937 passes, politics would be substituted for scientific analysis. States that the bill would be impossible to implement due to a lack of identification and enforcement mechanisms for vehicles traveling to the Portland area.
053	Chair Lewis	Asks if Ms. Hagerbaumer participated in the last legislative session.
054	Hagerbaumer	No.

055	Chair Lewis	Explains that Oregon Environmental Council (OEC) testified that there would be no way to develop an air quality education program that would meet requirements from the Environmental Protection Agency and that there would be no emission reduction credits from it. States that all have occurred. There is a way to make the bill enforceable. States that OEC has been wrong in their testimony before.
063	Hagerbaumer	States that the OEC is interested in non-regulatory solutions to air quality problems and DEQ testing is regulatory. Offers to work with the legislature to find other mechanisms.
066	Chair Lewis	States that OEC opposed a non-regulatory solution last session. Explains that the Air Quality Education program is a model for the nation.
070	Rep. Shields	Comments that he has not heard of the Air Quality Education program.
072	Chair Lewis	States that Mr. Green will be describing the program later.
078	Chair Lewis	States that the emissions testing requirement has been in question for some time in Columbia and Yamhill Counties. Explains that Yamhill and Columbia Counties were exempted from testing during the 1993 legislative session, but not long after they were added by DEQ by administrative rule. During the 1995 session more work was done to remove Yamhill and Columbia Counties from the testing program, but the Governor vetoed the bill on the basis of fairness. HB 2937 solves the fairness issue for those citizens who don't commute.
109	Rep. Shields	Expresses concern for the elderly and the poor, but is confused how the bill will benefit them since it is hard to determine which cars commute.
119	Rep. Fahey	Suggests that a sticker could indicate who is commuting.
122	Rep. Shields	States that all cars pollute and asks for an amendment which could target the poor and elderly. Hopes to find a way to attain a goal that also addresses the issue of pollution. Expresses frustration with the bill.
149	Chair Lewis	Closes the public hearing on HB 2937 and opens the work session on HB 2937 (EXHIBIT E).
<u>HB 2937</u> <u>WORK</u> <u>SESSION</u>		
159	Rep. Luke	MOTION: Moves HB 2937 to the floor with a DO PASS recommendation.
162	Rep. Luke	Expresses concerns about past legislation where DEQ promised to not take in parts of Yamhill and Columbia Counties into the Portland airshed and did.
		States that HB 2937 solves a fairness issue. Explains that more cars

168	Rep. Fahey	are traveling from Clark County, Washington and other exempt areas than from Scappoose. States that emissions testing is important, but it needs to be applied equally.
		VOTE: 4-1 AYE: 4 - Fahey, Luke, Simmons, Lewis NAY: 1 - Shields EXCUSED: 2 - Lehman, Welsh
185	Chair Lewis	The motion CARRIES. REP. TAYLOR will lead discussion on the floor.
188	Chair Lewis	Closes the work session on HB 2937 and opens the public hearing on HB 3121.
<u>HB 3121</u>		
<u>PUBLIC</u>		
<u>HEARING</u>		
197	Rep. Ron Adams	State Representative, District 27. Explains that there are times in the year when air pollution is greater in various airsheds. States that gas powered lawnmowers contribute to the problem. Describes provisions of the bill including trading in a gas lawnmower and \$75 to a local utility for an electric mower, the utility can use increased rates to pay for the mowers, the exchange facility would avoid property taxes, and taxpayer credit for lawnmower exchange. Explains that the sponsor would consider language to restrict exchange to areas where there are pollution non-attainment airsheds.
226	Rep. Luke	States that a restriction to pollution non-attainment airsheds is a good idea, but other areas need the exchange program also. Explains that the woodstove industry had a good exchange program several years ago.
243	Rep. Simmons	Asks what the actual cost of the high quality mover is.
249	Rep. Adams	Does not have the specific costs. Indicates that the cost might not be more than the \$75 exchange. "High Quality" has not been defined.
261	Rep. Simmons	Asks if electric mowers are efficient enough to do the job that a gas powered mower does.
270	Rep. Adams	States that the mowers do an adequate job.
272	Rep. Luke	Describes personal experience with electric mowers and says he prefers to work with them.
279	Rep. Adams	States that the program will be voluntary for individuals, but mandatory for utilities to offer the program.
289	Rep. Simmons	Asks if there was discussion about an incentive based way to approach the problem of air pollution.

294	Rep. Adams	States that the incentive to individuals is the \$75 tax credit.
299	Rep. Simmons	Asks what incentive the utilities will have.
301	Rep. Adams	States that the utilities will be allowed to recover costs of the program in their rate base.
305	Rep. Luke	Asks if air pollution is lowered in the Portland airshed, then companies will be allowed to move to Portland and use power.
308	Rep. Adams	Answers affirmatively.
310	Rep. Fahey	States that the new electric mowers are much better than old ones.
322	Rep. Adams	Appreciates the comment.
325	Rep. Fahey	States that costs are low also.
331	Rep. Shields	Asks if push mowers could be included in the bill.
342	Chair Lewis	States that there is merit to getting rid of the gas mowers and wishes that all gas powered yard equipment could be included in the bill. Explains that if 10,000 gas powered mowers are eliminated in the airshed it would be equivalent to an emission reduction to testing 25,000 cars.
357	Rep. Adams	Asks for a clarification on the statistics.
361	Rep. Fahey	Agrees that all gas powered yard equipment should be included.
371	Denise McPhail	Representative from Portland General Electric (PGE). Agrees that the concept behind HB 3121 is a good one, but disagrees with requiring utilities to sell appliances. Explains that there is currently a voluntary lawnmower exchange program (EXHIBIT F).
TAPE 41, B		
013	McPhail	States that there are several reasons to object to HB 3121 including being a disincentive to voluntary programs in general and to those that are supporting DEQ, and it places PGE in the appliance business. Reviews requirements of the bill. Questions what would qualify as a "high quality" mower. Explains that the difference between tax credit and cost of the mower can be made up in increased utility rates. States that the property tax incentive to the utilities will only apply to a warehouse where the mowers are stored. States that PGE has conceptual amendments to the bill including a provision that would require utilities to separately show the cost of the program on bills. Also suggests an income tax credit to the utilities for the mowers. Another suggestion would be to remove the utilities from the program and give the tax credits to electric lawnmower retailers.
061	Rep. Luke	Asks if the bill would be improved if the Public Utility Commission required rate payers to pay for the program instead of shareholders.
067	McPhail	Explains that it is a societal problem whose expense should not rest on the utilities. Electric utilities are not generating pollution into the Portland airshed. PGE does not want to raise rates.
075	Rep. Luke	Asks if PGE sells electricity to companies that contribute to the

		degradation of air quality in Portland.
078	McPhail	Yes, everybody creates pollution. Asks if electric customers should pay for a problem caused by gas powered mowers.
087	Rep. Luke	States that the voluntary program is good, but people in the rural areas are having to pay for Portland's pollution also.
091	Terry Worrell	Environmental Services Department, Portland General Electric. States that the voluntary program will backfire if there are mandates to provide the program. States that lawnmowers are not the solution to all of the air quality programs.
109	Rep. Simmons	Asks if the utilities could provide a low cost finance package instead of the tax credits.
119	McPhail	That is a possibility, but doesn't believe that financing would be allowed for appliances that don't reduce electricity usage.
139	Rep. Luke	Suggests a pollution tax on gas mowers to pay for electric mowers.
141	McPhail	States that PGE does not consider the use of electric mowers as load building.
146	Chair Lewis	Explains that similar legislation was worked on last session, and that the voluntary program is a good start.
158	McPhail	States that Mr. Worrell has volunteered much of his time to the program
161	Chair Lewis	Asks if there would be an objection to modifying the bill such that there would be a tax credit to the consumer for the purchase of a lawn mower.
164	McPhail	No, plus there would be corporate contributions.
169	Worrell	Provides a price range for electric mowers. Explains that the voluntary program has tried to remain neutral when offering electric mowers since people have specific needs and desires for their use.
194	Diane Cowan	Executive Director, Oregon People's Utility District Association. Explains concerns with HB 3121 and agrees with comments from PGE. The program is a good idea, but it was not popular with customers.
219	Sandy Flicker	Representative, Oregon Rural Electric Cooperative Association. Explains that the program is not a high priority for the population the association serves. States that there is difficulty with the program being mandatory for the utilities to provide. States that the association is not convinced that the program should be the responsibility of the utilities even though it is a good program.
270	John Brennehan	Representative, Idaho Power. Agrees with the idea of trading gas powered mowers for electric mowers, but expresses opposition to HB 3121. The utility does not want to run the program (EXHIBIT G).
320	Chair Lewis	Closes the public hearing on HB 3121 and introduces the Air Quality Education Program.
AIR QUALITY		

<u>EDUCATION PROGRAM</u>		
321	Greg Green	Air Quality Administrator, Department of Environmental Quality. States that Rep. Lewis has been a major supporter of the Air Quality Education Program. The objective was to produce a quantifiable emission reduction program to be included in the Ozone Maintenance Reduction Plan. The Environmental Protection Agency has recognized the program as being effective. States that industry is no longer the big contributor to Portland's pollution problem. Citizens need to understand how their actions affect pollution (EXHIBIT H) .
371	Green	Explains that the goal of the program was to create an awareness of effects of a person's actions on the environment. Another goal was to protect some of the regulatory programs that monitor air quality. Explains that the focus of the program was on non-mobile sources of pollution.
406	Rep. Luke	Asks for details on the program being used in schools.
410	Green	States how area companies have agreed to assist in the air quality education program. Fred Meyer has been very involved by promoting low VOC products, encouraging the use of mass transportation, and having in-store announcements. Chevron and Les Schawb have used signs to indicate to customers how they can reduce pollution.
TAPE 42, B		
016	Green	Miller and Rodda paint have agreed to manufacture lower VOC paints. States that on the national level, paint companies are fighting to not reduce the level of VOCs in their products, but Miller and Rodda have done so voluntarily. There has been a focus on non-road engines such as the lawnmower buy back program sponsored with PGE.
033	Rep. Luke	Asks what happens to the old lawn mowers.
034	Green	Lawn mowers are taken to Metro and then scrapped at the landfills.
039	Green	States that PGE will be participating in the buy back program again, but will upgrade the rebate from \$40 to \$50. Home Depot will have demonstrations on electric and battery powered mowers in May. Explains that the program incorporates long-term education by providing teacher workshops for teachers grades K-8, so that students can be educated on how their lifestyle affects air quality. States that Clean Air Action Days alert the public to days when there is a possibility of high production of ozone. Businesses and local governments and the media are very involved in notification and implementation of the clean air action days. C-Tran, the Clark County mass transit system gives free bus passes on Clean Air Action Days.
084	Rep. Shields	Asks how many bus passes are budgeted for.
086	Green	Does not have accurate numbers, but indicates that ridership normally increases by 20% on those days.
		Policy Analyst, Asks if there is free parking for car-poolers in

092	Judith Gruber	downtown Portland on Clean Air Action Days.
097	Green	The City of Portland offers free parking to cars that have two or more occupants and stay for more than four hours. Explains that regulatory programs have been protected by the education program. Sometimes, citizens don't understand the need or how to comply with regulatory programs. States that all participation with the air quality education program has been voluntary.
130	Chair Lewis	Expresses appreciation for the program. At times education can work better than a regulatory program.
142	Green	Agrees that the program is a good idea.
147	Chair Lewis	Adjourns the meeting at 2:59 p.m.

Submitted By, Reviewed By,

Marjorie Taylor, Judith Gruber,

Administrative Support Policy Analyst

EXHIBIT SUMMARY

A - HB 2937, Written testimony, Rep. Taylor, 2 pp.

B - HB 2937, Written testimony, Glenn Dorschler, 36 pp.

C - HB 2937, Written testimony, Greg Green, 2 pp.

D - HB 2937, Written testimony, Chris Hagerbaumer, 2 pp.

E - HB 2937, Written testimony, Committee Staff, 2 pp.

F - HB 3121, Written testimony, Denise McPhail, 3 pp.

G - HB 3121, Written testimony, John Brenneman, 1 p.

H - Air Quality Education Program, Written testimony, Greg Green, 12 pp.