

# SENATE BILL REPORT

## E2SHB 2569

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As of February 25, 2014

**Title:** An act relating to reducing air pollution associated with diesel emissions.

**Brief Description:** Reducing air pollution associated with diesel emissions.

**Sponsors:** House Committee on Appropriations Subcommittee on General Government & Information Technology (originally sponsored by Representatives Hargrove and Pollet).

**Brief History:** Passed House: 2/18/14, 92-5.

**Committee Activity:** Energy, Environment & Telecommunications: 2/25/14.

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### SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

**Staff:** Jan Odano (786-7486)

**Background:** Diesel fuel powers large engines, including those used in many trucks, buses, trains, construction and farm equipment, generators, ships, and in some cars. The exhaust from burning diesel mainly consists of gases and soot. The soot particles that are fine and ultra fine sized particulates are of greatest health concern. These fine and ultra fine particulates can be inhaled deep into the lungs, where they can cause serious health problems. Health studies have shown that diesel exhaust contributes to chronic respiratory problems such as asthma, may cause cancer, and contributes to other health problems such as lung and heart diseases.

According to the Department of Ecology (Ecology), diesel exhaust is the air pollutant most harmful to public health in Washington State. Seventy percent of the cancer risk from airborne pollutants is from diesel exhaust. More than 4 million people in Washington live or work close to highways and other major roads where they are most likely to be exposed to diesel exhaust.

In 2003 the Legislature established the Washington State Clean School Bus Program. The program funding was derived from fees collected from the transfer of motor vehicle ownership until 2008. The program was expected to generate revenue of \$5 million per year; approximately \$25 million over the life of the account. By October 2008, Ecology and the state's seven local air quality agencies retrofitted about 5600 school buses. The Legislature granted \$28.9 million over six years to retrofit 100 percent of school buses suitable for retrofits.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Currently Ecology administers a Clean Diesel Grant Program, which is funded by the Local Toxics Control Account. The grants are used to assist with purchasing and installing various clean diesel technologies on publicly and privately owned heavy-duty diesel vehicles and equipment in Washington. Grants are available to local governmental entities, public utilities, local clean air agencies, tribes, school districts, privately owned diesel fleets operating mainly in the state, and non-profit organizations. The grant funds must be used for exhaust retrofits, idle reduction, engine repowers, school bus replacements, orchard heater replacements, and other projects upon approval. The grant applications are prioritized first for public fleets and second for privately owned vehicles and equipment that provide and maintain public services, such as garbage collection and recycling, or which operate on port properties.

**Summary of Bill:** Ecology is authorized to issue loans to state and local governments that own diesel equipment or vehicles for equipment or vehicles that spend at least half of their operating time in Washington. Ecology must prioritize loan allocations based on the anticipated return on investment from projects, with additional consideration given to projects' environmental, human health, and greenhouse gas benefits.

Acceptable types of diesel emission reduction projects include the electrification of parking spaces and truck stops, power connection systems for vessels and locomotives, projects which replace diesel engines or power systems with compressed or liquefied natural gas systems, and battery-powered heating and air conditioning systems.

The Diesel Idle Reduction Account (Account) is established. The Account may receive appropriations and repayments of loans. Interest earned on funds in the Account accrues to the Account.

Ecology may use funds in the Account to make low or no-interest loans for diesel idle emission reduction projects. Loans must be made so that the payment of the loans is of equal value of the disbursements over a long-term planning horizon. Loan program administration must be integrated with existing Diesel Grant Program administration. Ecology must use existing resources for communications, outreach, and other administrative functions.

Ecology may adopt rules to implement the program once the Legislature appropriates money into the Account.

**Appropriation:** None.

**Fiscal Note:** Requested on February 18, 2014.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed, except for section 6, relating to interest earned in the Account, which takes effect on the date the requirements set out in section 7, Chapter 36, Laws of 2012 are met.