Comprehensive Diesel Emissions Reduction Package -- FACT SHEET

PURPOSE: To protect public health and create jobs in Michigan by reducing diesel pollution in the state.

WHY and HOW: Diesel pollution poses a significant environmental and public health threat that is largely preventable with existing technology.

- Pollution from diesel engines is a **significant health risk**.
  - Each year, diesel exhaust causes an estimated 443 premature deaths in Michigan, as well as 648 non-fatal heart attacks, 15,004 asthma attacks, and 57,561 lost work days.
  - Diesel emissions have been shown to have 7 times the lifetime cancer risk than the *combined* risk posed by *all* the other 181 hazardous air pollutants tracked by the EPA.
- Diesel pollution is costing Michigan taxpayers money-- $**3.6 billion in monetized health impacts.** EPA estimates show that for every dollar spent on the Diesel Emissions Reduction Act to reduce particulate matter pollution from diesel engines, $12 would be avoided in health damages.
- Diesel soot (called black carbon) also **contributes to climate change** and is 2000 times more potent a greenhouse gas than CO2.
- US EPA emission standards apply to new diesel engines (2007 and later), but not to the more than 11 million pre-2007 diesel vehicles and equipment in use today.
- Technology is now available that can reduce diesel pollution from most existing vehicles by 85%- 90%.
- Investing cleaning-up diesel vehicles by retrofitting them with technology like Diesel Particulate Filters (DPFs) **creates Michigan jobs**. Our state is already #2 in the nation employing workers in the field of manufacturing vehicle pollution control technologies and we are home to 2 of only 12 companies in N. America that are building DPFs verified by the EPA.

MAJOR PROVISIONS:

The comprehensive package of diesel pollution is a full suite of policies to address the problem of diesel pollution in the state. The package includes policies such as requiring installation of pollution controls and creation of a fund to help pay for retrofits, diesel vehicle idling limitations and requirements that state vehicles and public works construction projects use clean diesel technologies.

1. Requirement for fleet owners or operators to install the strongest possible (Level 3) **control technology on ALL "regulated highway vehicles"** (buses, garbage trucks, cargo trucks with central fleet maintenance or fueling in MI, etc.)
    a. At least 50% of fleet by 7/1/12
    b. 100% of fleet by 7/1/13
        i. Extra time to comply if:
            1. already have controls but they are not the strongest possible (Level 2= + 4yrs, Level 1= +2 yrs)
            2. Small fleet (5 or less)= +2 yrs
        ii. Can use lesser control (Level 2 or Level 1) if DNRE finds that Level 3 controls will not work with the vehicle.
        iii. Excludes vehicles that operated less than 100 hours and for fewer than 1,000 miles in Michigan. (requires verification.)
    c. Must install closed crankcase vents (CCV) or similar technology to keep diesel pollution from being vented into vehicle cabins.
    d. Includes hefty sanctions ($5,000 per violation and possible revocation of vehicle registration)
    e. After 7/1/13 any vehicle without controls that is +25 years old must rebuild the engine.
    f. Requires maintenance of control technology and use of Ultra Low Sulfur Diesel (ULSD.)

2. Reducing **non-road** diesel emissions by:
    a. Requiring use of ULSD
        i. includes locomotives and certain marine vessels)
        ii. Oceangoing ships while at ports use fuel w/ decreasing sulfur levels
        iii. $5,000/ day fine for violation
    b. DNRE adopting CA air board (CARB) rules for non-road diesel vehicles to reduce Particulate matter (PM)
    c. After 1/1/15 public agencies may lose state funding if they have not installed Level 3 (or best possible) controls on any vehicle owned, operated, or leased by that agency. May also be able to get additional funding if comply earlier.

3. **Clean Construction requirements** for public works contracts.
    a. ANY public works contract w/ a public agency must:
        i. Use ULSD
        ii. Not vent crankcase emissions
        iii. No non-essential idling
        iv. Any non-road vehicle on site (not generators) for more than 3 days must install control technologies (Level 1 by 1/1/14, Level 2 (25-75 horsepower) by 7/1/17, and Level 3 for 75+ horsepower by 7/1/17.
        v. All heavy duty (over 14,000 lbs) diesel vehicles and generators must have Level 1 controls by 1/1/14 and Level 3 by 7/1/14
        vi. Requires compliance sticker, proper maintenance, etc.

b. The contract reimburses (full or partial- % determined by agency) for costs of coming into compliance.
    i. May provide 1 time only reimbursement (can be via rebates)
    ii. Does not apply to compliance w/ other state or federal law
    iii. Costs are not included in the bid so are not considered

4. **Freight facility** shall not commence **significant expansion** (over 10 tons of PM2.5/yr) without permit. In order to get a permit:
    a. Must do a baseline study of the annual Particulate Matter (PM) emissions from all sources servicing the facility
    b. Inventory of PM pollution for each of the next 5 years after facility completed
    c. Plan to reduce emissions and opportunity for public comment, and regular reporting compliance with plan
    d. Sanctions for non-compliance

5. **Diesel vehicle idling limitations** [3 bills—on-road, non-road, and school buses] **Same** general rules apply for all three:
    a. Load/unload 30 minute idle limit (out of 60 minutes.)
    b. All other diesel vehicles 5 minute idle limit (out of 60) UNLESS:
        i. Exception applies (not for cabin comfort): traffic, health or safety, emergency vehicle, maintenance/testing, armored vehicle, etc.
        ii. Can use auxiliary power unit
    c. Truckstops w/ 25 or more spaces must install truckstop electrification (TSE) facilities for 80% of spaces.
    d. DNRE analysis of locomotive and marine idling
    e. DNRE plan to educate operators and owners on benefits of idle reductions and train law enforcement agencies.

6. Creation of **Diesel Emissions Reductions Fund (DERF**)—Treasurer shall accept funds from the following sources but list is not exhaustive (2% max to be used to administer fund):
    a. 1% surcharge on lease or rental of non road diesel vehicles
    b. 2.5% surcharge on lease or rental of heavy-duty vehicles 2006 and older
    c. Starting in 2011, 50% of Congestion Mitigation and Air Quality (CMAQ) funds go directly into the DERF fund. (non-CMAQ $ use for match)
    d. Percentage of the tax on diesel fuel (?? Working on that.)
    e. Registrations of diesel boats, etc (???? Working out)
    f. Bonds (see next bill)

7. Allows for **bonding** for revolving loan programs for truckstop electrification and other diesel reductions.

8. Creation of DERF **funding program**. Can be grants, rebates, or low-interest revolving loans on a competitive basis to achieve significant PM reductions.

a. DNRE to manage, create criteria, monitor for achieving reductions, credit to EPA for State Implementation Plan. Some or all of the DERF $ to go into the funding program.
b. Grants—
    i. Prioritization to:
        1. Fleets owned and operated by public agencies
        2. Remaining funds (if any) to private vehicles benefitting public agency
        3. If funds remain, then to private fleets for private business
    ii. Application must include: description of air quality, measure proposed, evaluate benefits using DNRE criteria, cost, expected lifetime, fuel available, monitoring/verification
    iii. Eligible projects: retrofits, repowering new engines, CCV, idling reduction equipment. Truckstop electrification eligible for loans but not grants. Also must be for project that is at least 75% in Michigan.
    iv. Criteria:
        1. maximize public health;
        2. are cost-effective;
        3. serve areas that: have the highest population density, poor air quality, disproportionate quantity of diesel pollution, and use collaborative process;
        4. maximize useful life of technology;
        5. conserve diesel fuel;
        6. uses ULSD.
    v. Emissions reductions of at least 50% (unless DNRE decides more beneficial to use different number.)
    vi. Meet cost-effectiveness requirements: not more than $135,000/ton of PM10 emissions, no grant more than the cost of the proposed measure (+tax, -credits/rebates), DNRE discretion to change cap.
c. Rebates—
    i. DNRE sets up system to issue rebates, reserve rebates, first-come first-serve, must use ULSD and maintain controls, not (w/ exceptions) to be used for emissions reductions trading, report on funding program.

9. Create diesel smoke **opacity standards**
    a. Smoke from diesel vehicle cannot exceed opacity of:
        i. 40% (before 1990)
        ii. 30 % ('90-'96)
        iii. 20% (after '96)
    b. DNRE exemptions if engine type cannot meet standard
    c. DNRE/MDOT to create inspection program (both regular--at least once a year--and random inspections), charge fees, and collect fines

10. Create **diesel inventory**— survey of fleets, requires information when registering on-road diesel vehicle, plan for inventory of non-road vehicles.

11. DNRE **implementation**-- reporting requirement (including public notice/comment), fleet reporting requirements, and DNRE promulgation of rules