

Oregon Sustainable Transportation Act

HB 2281 -B7

Transportation Investments

New Funding

\$206 million per year for state and local roads

\$80 million per year for transit improvements

\$2.5 million per year for airports

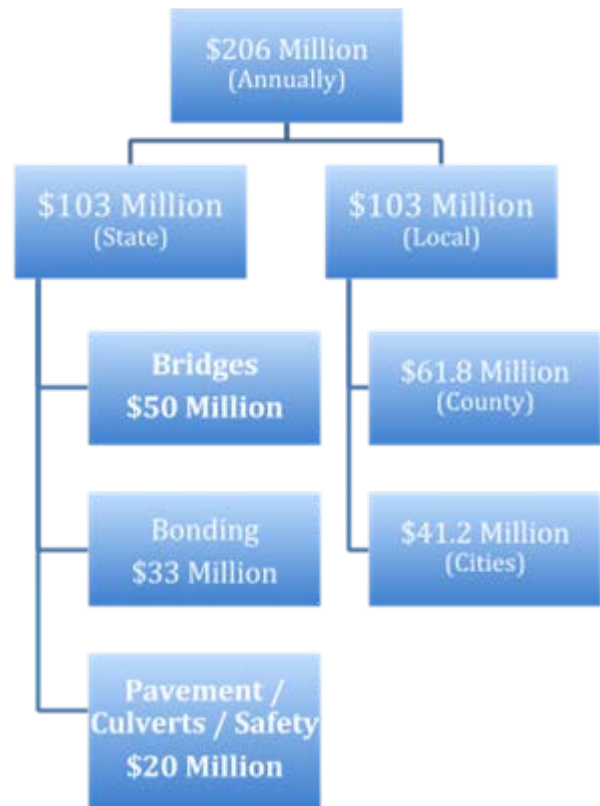
\$55 million for *ConnectOregon* VI

Gas Tax

4 cents increase per gallon (phased in 2 cents on January 1, 2016 and the other 2 cents on January 1, 2017) raises \$103.2 million per year.

Fees

- A new vehicle title fee of \$125 raises \$37.5 million per year.
- A \$10 driver license fee increase raises \$4 million per year. This temporary fee is dedicated to ODOT's Information Technology upgrades, self-service kiosks, and DMV accepting credit cards and sunsets after eight years.
- A \$10 registration fee increase (from \$43 to \$53) raises \$67.2 million per year. This would include a similar moped and motorcycle registration fee increase.
- An increase in the annual registration fee for electric vehicles and plug-in hybrid electric vehicles of \$135 (from \$43 to \$188) raises \$600,000 per year. This is to cover the same usage charge paid into the state highway trust fund that the average vehicle pays in gas tax each year.



The \$33 million in bonding generates \$400 million in transportation projects

Transit Funding

- A new tax of .00185 on employee wages in mass transit districts where employers pay a transit payroll tax
- Generates \$80 million per year
- Current transit districts where tax would apply includes Wilsonville, Canby, Sandy, Trimet, Lane Transit District.

Example, an employee with:

\$34,000 annual salary will pay \$63 a year, or \$5.24 a month
 \$55,000 annual salary will pay \$104 a year, or \$8.66 a month
 \$115,000 annual salary will pay \$217 a year, or \$18.11 a month

New revenue by District:

Wilsonville	\$1.64 M
Canby	\$0.33 M
Sandy	\$0.16 M
TriMet	\$70.84 M
Lane (LTD)	\$7.71 M
Total	\$80.68 M

Package Elements

- ODOT to study and report to Legislature in 2016 how it will redirect \$50 million per year for six years to be spent on operations and maintenance of state highways beginning in 2017
- A management audit of ODOT
- Eastern Oregon biodiesel exemption between November and February
- Funds for research partnership between Daimler Trucking and OSU
- Jet Fuel & Aviation Gas Tax a 2 cents per gallon increase to fund airport improvements, six year sunset (HB 2075)
- *ConnectOregon* VI funds infrastructure in investments in non-highway modes (HB 2274)

DRAFT LIST OF BONDED PROJECTS & AMOUNTS

Region 1 Projects	In Millions
Add lanes to I-205: Stafford Rd to Oregon City (incl NEPA, P3 Solicitation)	\$3.0
Cornelius Pass Road Improvements	\$20.0
PDX Congestion (Transportation Operations): I-5 NB/SB Lower Boones Ferry to I-205 Interchange; I-205 NB Aux Lane: I-84 to Columbia Blvd; I-205 SB Aux Lane: I-84 to Stark + Washington St.; I-205 NB Aux Lane: Powell to I-84	\$74.5
I-84 NW Forest Lane (Vertical Truck Clearance)	\$2.1
US 26 Powell Blvd (I-205 to 174th) - MOU contingent for jurisdiction transfer	\$25.0
Subtotal Region 1	\$124.6

Region 2 Projects	In Millions
Hwy 126: Eugene to Florence Safety Improvements	\$15.0
I-5 Aurora to Donald Interchange	\$25.0
US 101 Camp Rilea-Sunset Beach	\$10.4
Downtown Springfield Improvements OR 126B	\$15.0
OR 34-I-5 to Corvallis	\$10.0
OR 18/22 (Phase 1)	\$20.0
Territorial Highway Safety Improvements	\$20.0
Subtotal Region 2	\$ 115.4

Region 3 Projects	In Millions
I-5 Sexton Summit SB Truck Climbing Lane	\$10.7
I-5 Coon Hill SB Truck Climbing – new	\$7.9
Hwy 42 Curve & Paving – new	\$20.0
Foothill Road Extension (Medford)	\$4.0
Subtotal Region 3	\$42.6

Region 4 Projects	In Millions
Bend Redmond Safety Corridor	\$20.0
Load Lift Limitation of Hwy 140	\$35.0
Subtotal Region 4	\$55.0

Region 5 Projects	In Millions
US 20 Freight Mobility Enhancement	\$10.0
Port of Umatilla	\$3.0
EOTEC (Eastern Oregon Trade & Event Center Road)	\$1.8
City of Dufur	\$2.1
Port of Morrow Interchange	\$3.5
Juntura Cutoff Road	\$7.0
Baker County (for two cities)	\$5.0
Subtotal Region 5	\$32.4

Total All Regions	\$370.0
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OREGON SUSTAINABLE TRANSPORTATION ACT

Side by Side of GHG Reduction Proposals - Transportation Related

GOAL: Reduce the greenhouse gas (GHG) emissions in the transportation sector by 10 % over a 10-year period

Target: 7.7 million metric tons

ELEMENTS	SB 324 Low Carbon Fuels Program			HB 2281 -B7 Oregon Sustainable Transportation Act			
	Description	Cost	MMT est.	Description	Cost Per Year in Millions	MMT est.	
Biofuels	Program assumes approximate reduction of GHG from blending cleaner biofuels to achieve the equivalent of a 5% reduction in carbon intensity over 10 years (1)	est. 4 to 19 cents per gallon in year 10, according to DEQ	% of total below	Create new blending program to achieve the equivalent of a 5% reduction in carbon intensity over 10 years as long as the fuel is commercially available, technologically feasible, and cost effective; same exemptions as SB 324 (2)	\$0.0	2.5 - 3.5	
EV Market Transformation	Eligible to generate credits for sale in the carbon market	part of total above	% of total below	Divert 17% of the public purpose charge to EV market transformation program (from renewable energy development and schools); allow for utilities to get cost-recovery for EV infrastructure installment (3)	\$14.8	1.5	
Compressed Natural Gas	Eligible to generate credits for sale in the carbon market	part of total above	% of total below	Direct ODOE to work with ETO/natural gas utilities to fund natural gas market transformation program (4)	\$10.0	0.50	
School Bus Program	Eligible to generate credits for sale in the carbon market	part of total above	% of total below	Amend energy efficiency performance contracting statute to include alternative fuel vehicle conversion; assumes converting approx. 3000 school buses in 10 years (5)	\$2.1	0.64	
Transit	Not applicable	Not applicable		Investment in Oregon's transit districts (6)	\$80.0	1.66	
Transportation Operations	Not applicable	Not applicable		Improve safety and traffic flow -- elements include ramp meters, timing signals, traveler information signs, variable speed signs, etc.*(7)	\$20.0	2.02	
Assumed Total GHG Reduction			7.7	Assumed Total GHG Reduction			8.82 - 9.82

MMT = million metric tons

*Amount for investment in transportation operations in transportation package is higher; commensurate GHG reduction is currently uncalculated.

6/23/2015

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Sources for MMT # in Program as Proposed

- 1 Based on 2014 ICF International study of the Oregon Clean Fuels Program
- 2 Based on assumptions in 2014 ICF International study of the Oregon Clean Fuels Program
- 3 Based on assumptions modeled by Oregon's electric investor-owned utilities
- 4 Based on assumptions modeled by Oregon's natural gas investor-owned utilities
- 5 Based on the greenhouse gas emission achieved by converting 3k school buses to natural gas vehicles
- 6 Based on ODOT model
- 7 Based on ODOT model

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Carbon Reduction Strategy

Goal: Reduce the greenhouse gas (GHG) emissions in the transportation sector by 10% over a 10-year period.

The carbon reduction strategy described below is designed to achieve a reduction of 9-10 million metric tons of greenhouse gas (GHG) emissions over 10 years from the transportation sector. This reduction strategy is based on the following elements: biofuel blending, electric vehicle market transformation, natural gas and propane vehicle market transformation, school bus conversion, transit investment, and transportation operations improvements.

In comparison, SB 324 was projected to reduce 7.7 million metric tons of greenhouse gas emissions over 10 years.

Biofuels Blending Program

- Program administered by the Oregon Department of Agriculture (ODA)
- Baseline standard for emissions reductions is E10 for gasoline and B5 for diesel (existing federal law)
- Require fuel importers to reduce the carbon intensity of their fuel supply subject to the following benchmarks:

Benchmark 1:	0.25%
Benchmark 2:	0.50%
Benchmark 3:	1.00%
Benchmark 4:	1.50%
Benchmark 5:	2.50%
Benchmark 6:	3.50%
Benchmark 7:	5.00%
- Each year, ODA shall complete a study on the commercial availability of low carbon intensity fuels. Based on the results of the study, the Department shall determine and adopt by rule the low carbon blending benchmarks, pursuant to the schedule above, for the following year. The lower carbon intensity fuels must also meet technological feasibility standards and cost less than gasoline or diesel.
- Expected reduction in GHG emissions: 2.5 to 3.5 million metric tons

Electric Vehicle and Natural Gas Vehicle Transformation Program

- 17% of the existing public purpose charge collected by utilities will be reallocated to encourage electric vehicle (EV) market transformation
- The program shall be managed by the investor owned utility or a qualified third party portfolio manager, such as the Energy Trust of Oregon
- The utilities may invest in vehicle charging infrastructure. The utilities shall develop a plan for EV market transformation that would be approved by the Oregon Public Utility Commission in the Integrated Resource Planning process (standard way in which utilities' long-term acquisition plans are currently approved).
- The Public Utility Commission (PUC) will work with investor-owned utilities to develop an electric, compressed natural gas and propane vehicle market transformation program to reduce GHG emissions in the transportation sector
- The utility will be eligible for cost-recovery for any investments made using non-public purpose charge dollars (investments in EVs and infrastructure provide cost-savings to all customers, therefore it is consistent with current utility law to allow them to rate-base the investments)
- Expected reduction in GHG emissions: 1.5 million metric tons (from EV market)
- Expected reduction in GHG emissions: .50 million metric tons (from compressed natural gas)

School Bus Conversion

- Allow for Energy Efficiency Performance Contractors (ESPCs) to provide private financing to school districts or other public bodies to convert their fleet and/or install fueling infrastructure; the public body would pay back the loan through the fuel savings achieved
- The Oregon Department of Energy (ODOE) will amend their rules to allow school districts to be eligible to received ESPC private financing to replace school buses
- Expected reduction in GHG emissions: .64 million metric tons

Transit Investment

- A new investment of \$80 million a year in local transit service
- A new tax of .00185 on employee wages in mass transit districts where employers pay a transit payroll tax
- Public transportation investments increase access to transit services, improves overall service levels, and operations resulting in increased use
- Congestion can be eased to varying degrees during peak hours reducing greenhouse gas (GHG) emissions at the individual, household, regional, and statewide levels
- Investments in transit optimize the use of other modes and could result in substantial household cost-savings
- Expected reduction in GHG emissions: 1.5 million metric tons

Transportation Operations Improvements

- A targeted \$20 million investment from new highway funds to reduce congestion and emissions
- Operational investments target ways to make the existing transportation system more efficient
- The Oregon Department of Transportation's Intelligent Transportation Systems (ITS) take advantage of technology to help smooth traffic, reducing stop-and-go travel, and creating better free-flow across the entire transportation system for cars, buses, trucks, and other vehicles and modes
- Expected reduction in GHG emissions: 2.02 million metric tons