

Oppose Duplicative and Costly New DEQ Program: *NO on HB 2396*

HB 2396 would create a new indirect sources review program at DEQ. A similar program was proposed, and *unanimously rejected*, by the Environmental Quality Commission in 2020. The proposed program would apply broadly to indirect sources throughout the state, including retail stores, offices, government buildings, schools, hospitals, ports, and development projects, among others.

When a similar bill was introduced in the 2021 session, there were more than a dozen DEQ programs focused on reducing mobile sources of air emissions. Two years later, at least a half dozen more new regulatory programs have been adopted that will reduce air emissions such as the Climate Protection Program, Clean Fuels Expansion, Clean Trucks rule, Clean Cars rule and Portland Renewable Fuel Standard.

Despite Oregon attaining ambient air quality standards, massive resources are being dedicated to improving air quality from a variety of sources including mobile sources. Additionally, Oregon has long regulated indirect sources and DEQ has evaluated more than 400 sources under its indirect source program. None has ever been found to cause a violation of air quality standards.

Significant resources will be needed to administer newly adopted programs while maintaining existing regulatory programs. DEQ is already struggling with bandwidth to carry out its obligations and many staff positions remain vacant as the agency copes with its own workforce challenges.

Regulations resulting from HB 2396 would create new requirements for indirect sources to carry out costly air dispersion modeling and work through a protracted permitting processes. The impact of such a program would be felt throughout Oregon's economy, but would be particularly acute for small businesses.

Finally, we have substantial legal concerns about an indirect sources program proposal. Such programs target regulating fuel efficiency and carbon emissions from mobile sources. This is clearly prohibited by federal law and is likely to invite extensive litigation.

HB 2396 is a solution in search of a problem. Now is the time for DEQ to focus on implementing the consequential body of new rulemaking adopted in the last two years and maintain existing programs without burdening businesses with one more regulatory requirement.

We urge your no vote on HB 2396.