

Environment Committee JOINT FAVORABLE REPORT

Bill No.: SB-931

AN ACT CONCERNING EMISSIONS STANDARDS FOR MEDIUM AND HEAVY

Title: DUTY VEHICLES.

Vote Date: 3/12/2021

Vote Action: Joint Favorable

PH Date: 3/3/2021

File No.:

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SPONSORS OF BILL:

Rep. David Michel, 146th Dist.

Rep. Mary M. Mushinsky, 85th Dist.

REASONS FOR BILL:

Connecticut is in a busy travel corridor on the east coast and records some of the highest ozone levels. The mobile sources account for 67% of nitrogen oxide emissions, of that 40% are from heavy duty vehicles. Ozone is a harmful air pollutant that contributes to poor air quality and exacerbates chronic and acute respiratory problems.

The Environmental Protection Agency (EPA) announced its intent in January 2020 to adopt new heavy-duty truck emission standards by 2027. In June 2020, federal regulations had been put on hold indefinitely. In between January and June 2020, the California Air Resources Board (CARB) approved new emission standards for engine manufacturers to begin in 2024. In the absence of federal rules, this is necessary step to public health and reduce climate change impact.

RESPONSE FROM ADMINISTRATION/AGENCY:

Katie Dykes, Commissioner, Department of Energy and Environmental Protection

On July 14, 2020 Governor Lamont signed a memorandum of understanding (MOU) with 15 states to work collectively to reduce emissions from medium and heavy-duty vehicles. The MOU goal is to have 100% of new medium and heavy-duty vehicle sales are Zero Emission Vehicles by 2050, with an interim goal of 30% by 2030.

Department of Energy and Environmental Protection (DEEP) projects by 2045, heavy duty vehicles will account for 66% of Nitrous Oxide emissions, a significant component of ozone formation. New Jersey and Massachusetts are moving to advance the standards of zero emission medium and heavy-duty vehicles to provide the initiative of a sustainable market.

DEEP continues to evaluate the potential cost impact of this proposed legislation. The upfront costs of purchasing electric vehicles is higher than diesels, the total cost of ownership is attractive due to fuel cost savings and 50% saving on vehicle maintenance. DEEP expects the cost of electric vehicles to decline in the future. Over the last decade, according to Bloomberg New Energy Finance, costs have decreased 89%.

The Transportation Climate Initiative (TCI-P) in agreement with Massachusetts and Rhode Island, can provide critical investments to increase the number of medium and heavy-duty vehicle focused on communities overburdened by air pollution. Connecticut will not meet air quality and climate change needs without changes to the medium and heavy-duty vehicle sector.

Connecticut needs to adopt regulations and standards in a near term manner that are consistent with regional partners and cannot rely on the EPA. Public health is important, standards are important, those adopted by California meet the requirements of both, in a timely manner. Connecticut need to address air quality and climate goals to protect the most vulnerable citizens. DEEP needs to be provided the tools to act to meet the standards set forth.

NATURE AND SOURCES OF SUPPORT:

Ruth Canovi, Director, Advocacy, American Lung Association in Connecticut

American Lung Association in Connecticut supports the multi-state MOU to pursue a shift to zero emission trucking. The shift to zero emissions could yield significant health benefits to Connecticut's residents.

Nitrous Oxide emissions contribute to air pollution. These pollutants are known to cause and exacerbate acute and chronic health conditions, to include asthma, lung cancer and heart attacks. Often lower income communities and communities of color are disproportionately affected by the burden of poor air quality.

The American Lung Association in Connecticut urges support in following the standards set forth by California, as the outcomes of these programs are well documented and provide for major reductions in in pollutants.

Laura Bozzi, PhD, Director of Programs, Yale Center on Climate Change and Health

Connecticut has the occasion to move forward by evaluating and adopting the standards for new medium and heavy-duty trucks. The protection of human health and environment needs to be addressed with ozone pollution concerns.

Mary Jane M Williams PhD., RN, Senior Policy Advisor, Connecticut Nurses Association

Every county in Connecticut received a failing grade for air quality according to the 2020 State of the Air Report by the American Lung Association. Children, elderly, those with chronic conditions, and low-income communities are vulnerable to air pollution. Transportation emission cleanup is a "significant step" in protection of public health.

Tom Swan, Executive Director, Connecticut Citizen Action Group

The Connecticut Citizen Action Group urges the Environment Committee to reject the rationale offered by the opponents of this legislation. Similar arguments were used when earlier proposals were passed. Transportation markets are moving forward with electrification, General Motors and Ford have announced this plan moving forward for Europe. The sky is not falling in response to these announcements. Reduced costs for fuel and maintenance show the cost differential is minimal.

John Bougal

SB931 proposes that Connecticut decide of the environment, energy and air quality by adopting the California's standards for new medium and heavy-duty vehicles and authorizes DEEP to adopt regulations to benefit Connecticut's move to cleaner and less polluting vehicles.

The Environment Committee received in excess of thirty additional testimonials in support of SB931.

NATURE AND SOURCES OF OPPOSITION:

Ashley Zane, Government Affairs Associate, Connecticut Industry and Business Association

The Connecticut Industry and Business Association (CBIA) cautions adoption of California's standards on new medium and heavy-duty vehicles. Purchasing vehicles with this new standard will put Connecticut's small and medium businesses at a competitive disadvantage and possible increase in product costs. Businesses may opt to buy medium and heavy-duty trucks out of state, could lead to revenue lost by the state of Connecticut.

CBIA recommends looking at other programs, including the Cleaner Truck Initiative under development by the EPA. CBIA urges legislators to "conduct due diligence" with ensuring Connecticut remains competitive to other states. The trucking industry supports thousands of jobs and contributes billions of dollars to Connecticut's economy.

Joe Sculley, President, Motor Transport Association of Connecticut

SB931 proposes Connecticut adopt emission standards set forth by California Air Resources Board (CARB) instead of the EPA. There are two items to this discussion: 1) Connecticut's

standards for the diesel engines would be more stringent than the EPA. 2) Connecticut would be requiring an increasing percentage of electric truck sales.

(Some) Key Reasons the Motor Transport Association of Connecticut (MTAC) Opposes

- *It will put Connecticut businesses at a competitive disadvantage by mandating that they purchase trucks with unproven technology, and these trucks will be more expensive than what their competitors in other states will purchase.*
- *According to DEEP's 2017 GHG emissions inventory (most recent), only 2% of CT's GHG emissions from mobile sources come from diesel. 97% of heavy-duty trucks are powered by diesel. Therefore, I submit that trucks are not the cause of Connecticut's air quality issues.*
- *Trucks sold in other states that do not meet these extra stringent standards crafted by California will continue to drive through Connecticut anyway. Connecticut can not turn them away at the border.*

Mr. Sculley states the consequences of SB931:

- *Jobs and truck sales pushed out of state*
- *Businesses will operate older, dirtier trucks longer, in order to avoid purchasing more expensive trucks with unproven technology that their competitors in other states will not have to purchase.*
- *Businesses will buy dirtier used trucks instead of new trucks, because CT would effectively be banning the sale of EPA-compliant trucks in Connecticut.*

Michael S. Giaimo, Director, Northeast Region, American Petroleum Institute

The American Petroleum Institute (API) encourages Connecticut to continue to administer their own local rules, not California's. What is best for California, may not be best for Connecticut. The transportations systems between California and Connecticut are substantially different and vary from time to time. DEEP and the Environment Committee are in the best position to determine what is correct, not another state's air resource board.

API welcomes the discussion on viable solutions on ensuring reliable and affordable energy supplies and technologies developed by the free market to help with the best possible solution.

Christian A. Herb, President, Connecticut Energy Marketers Association

The President, Connecticut Energy Marketers Association (CEMA) employs 13,000 and sell 1.6 billion gallons of gas and 400 million gallons of heating fuel annually. SB931 puts Connecticut's small businesses at a competitive disadvantage against out of state businesses.

Connecticut is better with EPA regulatory framework for the sale of new medium and heavy-duty trucks. Mr. Herb states the advantages are:

- 1. It creates a level playing field in a very competitive interstate market where lower cost states in our area can quickly take business from Connecticut based*
- 2. operators, leaving us with higher emissions form those out of state operators and*
- 3. The only way to effect measurable emissions reductions is to do it on a national and global level. Connecticut's contribution to NOx and other emissions are so low that it will have no impact on climate.*

Home Builders & Remodelers Association of Connecticut, Inc.

The Connecticut Home Builders & Remodelers Association of Connecticut (HBRA-CT) has nearly 800 business members statewide.

SB931 proposes to study the impacts of adopting California's standards for new medium and heavy-duty trucks. SB931 allows the DEEP Commissioner to arbitrarily adopt regulations to impose regulations on the type of vehicle sold in Connecticut.

Increased costs to purchase and maintain medium duty trucks for home contractors for day to day operations negatively affects the ability to keep costs down. The affordability of equipment contributes to Connecticut's housing affordability problem.

Reported by: Steve Smith

Date: 03/26/2021