

# **Reject Indirect Source Petition**

The program proposed in the December 20, 2019 petition is much too broad in scope, going far beyond construction equipment diesel emissions and one or two industries. It applies to a massive array of so-called indirect sources throughout the state, including new and existing retail facilities, government offices and buildings, schools, colleges, hospitals, rail terminals, ports, airports, distribution activities, residential and other development projects. This broad application means that all of Oregon's economy will be impacted by this sweeping program.

This program is a solution in search of a problem: Oregon has long had an indirect source program and the Oregon Department of Environmental Quality (DEQ) has evaluated more than 400 indirect sources under this program. DEQ reports that it has never found an indirect source project to cause a violation of ambient air quality standards. This begs the question of why we need a new program at all.

The impact of this program, which would require all subject sources to seek, obtain and comply with a new permit from DEQ, would be felt by Oregon's whole economy, but especially by small businesses. The cost of permitting alone will be prohibitive for some small contractors and businesses. Substantial delays would also be caused by this program as subject sources could neither begin construction of or commence operation without having permits in place. The petition also requires third-party verification of emissions data provided by subject sources. Collectively, these requirements and DEQ's permit processing and issuance process would cause extreme delays in project construction and operation, likely spanning years for each project (given that it currently takes DEQ one to two years to issue other permits that require ambient air quality impact analyses). The permitting fees and costs to perform the sophisticated emissions modeling that would be required would also create a substantial impediment to construction or operation of most businesses. DEQ has acknowledged that they will need additional staff and funding for the program, meaning additional fees will be imposed on the project operators and builders.

Finally, the proposed program targets regulating fuel efficiency and carbon emissions from mobile sources. As such, the proposed program has significant legal defects and policy flaws. The petitioners also claim that the program they propose was legal in the San Joaquin Valley; however, the San Joaquin program is different in structure and was implemented to directly address local issues meeting ambient air quality standards. That is not the case with this proposed program.

To ensure that Oregon's economy keeps running smoothly and to avoid redistributing DEQ's limited resources to implement a program that is not necessary at this time, we urge you to reject this petition outright. At the present moment, our collective challenge and focus is on the Oregon Legislature's efforts to evaluate options for regulating greenhouse gas emissions statewide. Those efforts could leave DEQ with even more responsibility. Accordingly, until the dust settles on the legislature's consideration of GHG regulation this session and impacts on DEQ and sources are known, no further consideration of indirect source emissions is warranted.

*For more information, please contact Sharla Moffett (OBI) at 971-998-2272, John Rakowitz (AGC) at (503) 317-1781 or Kirsten Adams (AGC) at (503) 990-2262*



**BUILDING AMERICA®**



*For more information, please contact Sharla Moffett (OBI) at 971-998-2272, John Rakowitz (AGC) at (503) 317-1781 or Kirsten Adams (AGC) at (503) 990-2262*