

Comments on S.B. 275
Docket 13-057-02
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Even if you assume that natural gas vehicles (NGV) would promote cleaner air quality in the state S. B. 275 would not facilitate a robust market. In fact it would do just the opposite, it would impede the market. By allowing Questar Gas to use its monopoly power and forcing captive ratepayers to further subsidize natural gas fueling stations that would guarantee Questar an unfair market advantage and inhibit competition. If you envision a vigorous NGV market, promoting competition is essential. **The Utah State Constitution Article XII Corporations, section 20 - Free market system as state policy**, states “It is the policy of the state of Utah that a free market system shall govern trade and commerce in this state to promote the dispersion of economic and political power and general welfare of all the people.”

There would also be other unintended consequences due to this policy. The concern is that S.B. 275 would change the utility ratemaking process by requiring the captive customers of a monopoly utility to pay the costs unassociated with their essential utility services. In this case, it imposes a “hidden tax” onto the bills of Questar Gas customers. This is a very regressive tax that is spread among all Questar customers but will have a disproportionate impact on seniors and low income households that are already struggling in a difficult economy. These would not be the people who would do the most driving. You would be asking those who may not afford a vehicle to bear the cost for our poor air quality.

This would allow those in political office to avoid raising taxes for these services by using utility bills to pass on those costs. I recently met with an influential leader in local government who indicated an intention to use S.B. 275 to convert their vehicle fleet to NGVs. When I stated that policy would adversely impact low income households, this elected official simply suggested that there could be a way to alleviate the cost for low income customers.

Thus, it appears that at least some municipalities and counties see S.B. 275 as a funding source to convert large fleets to NGV which would be a substantial cost to ratepayers. This would enable a policy of using captive ratepayers to cover costs which should be covered through tax increases at the state, municipal and county levels of government. Politicians are using S.B. 275 to avoid raising taxes for services by turning public service commissioners into backdoor tax collectors. Citizens would have no way to hold their public servants accountable. This should be about transparent government. These would be hidden taxes. If politicians want to spend money converting fleets it should be justified by mayors and councils to taxpayers.

On the House Floor during debate on S.B. 275, Representative Greg Hughes indicated that the cap needed to be removed because 5 million would only convert 100 buses. It was stated that it would be a very small customer charge. However, because the final bill removed the 5 million dollar cap after the first year it allows for potential unlimited customer charges for the next four years.

I also worked closely with HEAL Utah (Healthy Environment Alliance of Utah) over the years. I am a member of the Advisory Council of HEAL Utah. I am very concerned about our air quality. However, this will have a minimal impact on air quality. There are much better solutions which will have a much larger impact on air quality.

The following quotes are taken from the 2008 Utah Legislative Audit of the Utah Transit Authority (UTA) number 2008-03 on pages 86 and 87. *“Transit’s Impact on pollution is so small it has little impact on the Region’s air Quality. . .Experts predict that the greatest improvements to air quality will come through improved technology rather than through the increased use of transit. . .In their Regional Transportation Plan, the Wasatch Front Regional Council (WFRC) suggests that the continued growth of transit in the coming years will have little impact on the region’s air quality. . . Cleaner engines and unleaded fuel as well as catalytic converters have helped to clean up automobile emissions in the past. A Federal Highway Administration report titled **Transportation Air quality: Selected Facts and Figures 2006**, indicates that NOx emissions have decreased 21 percent since 1983 with similar results in CO emissions. The cause, they say, is more efficient and cleaner engines. Similarly, even stricter emission standards are currently forcing manufactures to produce engines that produce cleaner vehicle emissions. . .The WFRC predicts that by the year 2015, improvements in bus and auto engines will reduce the amount of NOx emitted by cars and trucks by 58 percent.”*

A better solution for improving Utah’s air quality would be the new U.S. Environmental Protection Agency’s proposed “Tier 3” standards that cut nitrogen oxides and volatile organic compounds by more than half even as the miles driven doubles in the next 25 years. This would be achieved through improved vehicle technology and cleaner fuel, with two-thirds less sulfur. The two pollutants would be cut by 80 percent and fine soot during winter inversions would be reduced 70 percent. The EPA indicates it would raise gasoline prices by a penny a gallon and add about \$134 to the cost of a new car. HEAL Utah is promoting this proposal. It would achieve the greatest reductions of air-pollution.

A report recently released by researchers at University of Utah and Utah environmental regulators found that wood stoves, fireplaces and exhaust from cooking grills is the biggest contributor to the area’s winter pollution problems. The current regulatory inventory lists smoke emissions are about 16 percent with gas and diesel-burning engines at 55 percent. The new research lists wood stoves, fireplaces and exhaust emissions comprise 38 percent while gas and diesel engines are only 37 percent. The data from the new report further reduces any minimal improvement to air quality that could be achieved through S.B. 275 by focusing on NGV.

My real concern is that S.B. 275 is less about clean air solutions and more about finding a funding mechanism for UTA and fleet conversions which will create savings for government agencies. If government agencies want to convert the NGVs it should be funded through those agencies. The public deserves a clear understanding of what they are paying for. The fundamental issue here is transparency .

Our air quality is too important to the health of the entire state. We need to make sure this is not just a feel good solution to say we have done something without making substantial concrete improvements in air quality.