

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

---

<b>Action:</b>	Do Pass with Amendments to the A-Eng. Measure (Printed B-Eng) and Be Referred to the Committee on Rules
<b>Vote:</b>	3 - 2 - 0
<b>Yeas:</b>	Hass, Prozanski, Dingfelder
<b>Nays:</b>	Atkinson, Boquist
<b>Exc.:</b>	0
<b>Prepared By:</b>	Beth Herzog, Administrator
<b>Meeting Dates:</b>	5/21, 5/28

---

**WHAT THE MEASURE DOES:** Authorizes Environmental Quality Commission (EQC) to adopt standards and requirements to reduce greenhouse gas emissions for: a low carbon fuel standard (LCFS) for gasoline, diesel and fuels used as a substitute for gasoline or diesel; a schedule to phase in implementation of LCFS standard that reduces average amount of greenhouse gas emissions per unit of fuel energy of the fuels by 10 percent below 2010 levels by the year 2020; standards for greenhouse gas emissions attributable to fuels throughout their lifecycles; provisions allowing the use of all types of low carbon fuels to meet LCFS; standards for issuance of deferrals; exemptions for liquefied petroleum gas and other alternative fuels used in a certain volume; measures needed to ensure fuel quality exemptions for standards for fuels used in an engine that would void a manufacturers engine warranty; and coordination of Oregon's LCFS with other states. Requires EQC provide exemptions and deferrals as necessary to mitigate cost of complying with LCFS upon finding that 12-month rolling weighted average price of gasoline or diesel in Oregon exceeds average in specified region by at least 10 percent. Authorizes EQC to adopt requirements to maintain or retrofit medium and heavy duty trucks to reduce aerodynamic draft or otherwise reduce greenhouse gas emissions from medium and heavy duty trucks. Authorizes EQC to adopt requirements to prevent tampering, altering or modification of original design or performance of motor vehicle pollution control systems, provided EQC coordinates Oregon anti-tampering requirements and exemptions with those of California. Authorizes EQC to adopt standards governing energy efficiency of replacement tires for passenger cars and light-duty trucks with certain provisions. Authorizes EQC to adopt requirements for motor vehicle service providers to check and inflate tire pressure that does not apply if primary purpose of service is fueling. Authorizes EQC to adopt restrictions on engine use by parked commercial vehicles and commercial ships while at port; and requirements that truck stops and ports provide alternatives to engine use such as electric power.

Directs EQC to evaluate safety, feasibility, net reduction of greenhouse gas emissions and cost-effectiveness; potential adverse impacts to public health and environment; flexible implementation approaches to minimize compliance costs; and benefits and costs of rule in relation to programs of other state agencies to reduce greenhouse gas emissions from same economic sectors. Directs Department of Environmental Quality to report on implementation to interim legislative committees and Seventh-sixth, Seventy-seventh, and Seventy-eighth Legislative Assemblies. Specifies that Act does not apply to vehicles registered as farm vehicles, farm tractors, implements of husbandry, and motor trucks used primarily to transport logs. Specifies that reports must include description of any rules adopted, manner in which EQC complied with Act's requirements in adopting rules, and significant policy decisions made by EQC. Declares an emergency; effective upon passage.

**ISSUES DISCUSSED:**

- Economic impact of LCFS
- Act's applicability to trucks registered in another state and travelling through Oregon
- Other states' policies
- Desire to have measureable outcomes
- Market-based approach

6/3/2009 4:20:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the measure.

**BACKGROUND:** The 2007 Legislative Assembly adopted a goal to reduce greenhouse gas emissions in Oregon as follows: (a) by 2010, arrest the growth of Oregon's greenhouse gas emissions and begin to reduce greenhouse gas emissions; (b) by 2020, achieve greenhouse gas levels that are 10 percent below 1990 levels; and (c) by 2050, achieve greenhouse gas levels that are at least 75 percent below 1990 levels.