

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	7 - 1 - 0
<b>Yeas:</b>	Bailey, Barnhart, Bentz, Boone, Jenson, Smith J., Cannon
<b>Nays:</b>	Gilliam
<b>Exc.:</b>	0
<b>Prepared By:</b>	Beth Patrino, Administrator
<b>Meeting Dates:</b>	3/31, 4/16, 4/21, 4/23

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**WHAT THE MEASURE DOES:** Requires notice to dealers when capacity of biodiesel production facilities in Oregon reaches certain levels. Prohibits sale of diesel fuel that does not contain specified percentages of biodiesel after a certain date. Deletes provision allowing specified percentage of other renewable fuel diesel in place of biodiesel. Places two-year moratorium on applying standards to “other renewable diesel”. Makes changes applicable to biodiesel production in the Willamette Valley effective on or after August 1, 2009 and the rest of the state on or after October 1, 2009.

**ISSUES DISCUSSED:**

- Renewable fuel standard adopted by the 2007 Legislative Assembly
- Growth of biodiesel production capacity in Oregon
- Availability of locally grown feedstock
- Two-year moratorium on use of renewable diesel to meet standard

**EFFECT OF COMMITTEE AMENDMENT:** Requires that two weeks before August 1, 2009, for nine specified counties and two weeks before October 1, 2009 for the rest of the state, the Oregon Department of Agriculture notify all retailers that five million gallon production capacity has been reached and no diesel fuel can be sold that does not contain at least two percent biodiesel after those dates.

**BACKGROUND:** The 2007 Legislative Assembly passed House Bill 2210 establishing a Renewable Fuel Standard (RFS) for biodiesel and ethanol based on in-state production, prohibiting the sale of gasoline that contains certain additives, providing a mandate on state agencies regarding biodiesel for backup power generation, modifying the site certificate exemption criteria for ethanol and biodiesel production facilities to preclude coal-fueled facilities, and allowing certain farm biofuel production facilities on land zoned for exclusive farm use. The 2007 legislation set a trigger for the biodiesel RFS based on an in-state built capacity of five million gallons per year, operating at capacity for three consecutive months from qualifying feedstock. House Bill 3463A changes the trigger to when the capacity of biodiesel production facilities reaches at least five million gallons on an annualized basis.

4/29/2009 2:51:00 PM

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