

**REVENUE: No revenue impact**

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

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**Action:** Do Pass with Amendments to the A-Eng. Measure (Printed B-Eng.)

**Vote:** 3 - 1 - 1

**Yeas:** Hass, Prozanski, Dingfelder

**Nays:** Boquist

**Exc.:** Atkinson

**Prepared By:** Beth Herzog, Administrator

**Meeting Dates:** 5/15, 5/28

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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 Willamette Valley effective on or after August 1, 2009 and remainder of state on or after October 1, 2009.

**ISSUES DISCUSSED:**

- Imposes a moratorium on applying standards to other renewable diesel
- Approval of other renewable diesel as a registered fuel has only been obtained in Texas

**EFFECT OF COMMITTEE AMENDMENT:** Finds that technology to produce other renewable diesel is not fully developed and appropriate definitions and standards for the production and use of other renewable diesel are unknown. Stipulates that upon receipt of notice and after specified dates a dealer may not sell diesel fuel unless it contains at least two percent biodiesel by volume or other renewable diesel with at least two percent renewable component by volume.

**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 production of five million gallons on an annualized basis 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.