

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 0
Yeas:	Bailey, Barnhart, Bentz, Boone, Jenson, Smith J., Thompson, Cannon
Nays:	0
Exc.:	0
Prepared By:	Beth Patrino, Administrator
Meeting Dates:	2/9, 2/11

WHAT THE MEASURE DOES: Authorizes sale of diesel fuel that otherwise meets the requirements of state's biodiesel fuel standards but to which substances have been added to prevent congealing or gelling of biodiesel fuel. Applies to fuel sold or offered for sale from October 1 of any year to February 28 of the following year. Sunsets provision March 1, 2011.

ISSUES DISCUSSED:

- Reports of gelling problems in Eastern Oregon in December
- Distributor and user concern that current law doesn't allow blending of biodiesel with substances to prevent gelling
- Gelling problems not unique to biodiesel; similar problems with diesel without additives
- Opportunity to test blending/mixtures to prevent future problems

EFFECT OF COMMITTEE AMENDMENT: Clarifies provisions related to added substances. Changes time period from November 1 – March 31 to October 1 – February 28. Adds sunset provision.

BACKGROUND: The 2007 Oregon Legislative Assembly passed House Bill 2210, which included a renewable fuel standard (RFS) mandate. This legislation required biodiesel and ethanol in Oregon's motor fuels and required the Oregon Department of Agriculture to study and monitor ethanol fuel production, use, and sales in Oregon and to implement the RFS. The 2009 Oregon Legislature passed House Bill 3463, immediately activating the renewable fuel standard to blend diesel fuel with a minimum of two percent by volume biodiesel.