

House Bill 2826

Sponsored by Representative BAILEY; Representative READ (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires biodiesel, or other renewable diesel, contained in diesel fuel sold in this state to contain at least 50 percent qualifying feedstock.

A BILL FOR AN ACT

1
2 Relating to diesel fuel; creating new provisions; and amending ORS 646.905 and 646.922.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 646.905 is amended to read:

5 646.905. As used in ORS 646.910 to 646.923:

6 (1) "Alcohol" means a volatile flammable liquid having the general formula $C_nH_{(2n+1)}OH$ used
7 or sold for the purpose of blending or mixing with gasoline for use in propelling motor vehicles, and
8 commonly or commercially known or sold as an alcohol, and includes ethanol or methanol.

9 (2) "Biodiesel" means a motor vehicle fuel consisting of mono-alkyl esters of long chain fatty
10 acids derived from vegetable oils, animal fats or other nonpetroleum resources, not including palm
11 oil, designated as B100 and complying with ASTM D 6751.

12 (3) "Certificate of analysis" means:

13 (a) A document verifying that B100 biodiesel has been analyzed and complies with, at a mini-
14 mum, the following ASTM D 6751 biodiesel fuel test methods and specifications:

15 (A) Flash point (ASTM D 93);

16 (B) Acid number (ASTM D 664);

17 (C) Cloud point (ASTM D 2500);

18 (D) Water and sediment (ASTM D 2709);

19 (E) Visual appearance (ASTM D 4176);

20 (F) Free glycerin (ASTM D [6854] **6584**); and

21 (G) Total glycerin (ASTM D [6854] **6584**); and

22 (b) Certification of feedstock origination describing the percent of the feedstock sourced outside
23 of the states of Oregon, Washington, Idaho and Montana.

24 (4) "Co-solvent" means an alcohol other than methanol which is blended with either methanol
25 or ethanol or both to minimize phase separation in gasoline.

26 (5) "Ethanol" means ethyl alcohol, a flammable liquid having the formula C_2H_5OH used or sold
27 for the purpose of blending or mixing with gasoline for use in motor vehicles.

28 (6) "Gasoline" means any fuel sold for use in spark ignition engines whether leaded or unleaded.

29 (7) "Methanol" means methyl alcohol, a flammable liquid having the formula CH_3OH used or
30 sold for the purpose of blending or mixing with gasoline for use in motor vehicles.

31 (8) "Motor vehicles" means all vehicles, vessels, watercraft, engines, machines or mechanical

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 contrivances that are propelled by internal combustion engines or motors.

2 (9) “Nonretail dealer” means any person who owns, operates, controls or supervises an estab-
 3 lishment at which motor vehicle fuel is dispensed through a card- or key-activated fuel dispensing
 4 device to nonretail customers.

5 (10) “Other renewable diesel” means a diesel fuel substitute, produced from nonfossil renewable
 6 resources, that has an established ASTM standard, is approved by the United States Environmental
 7 Protection Agency, meets specifications of the National Conference on Weights and Measures, and
 8 complies with standards promulgated under ORS 646.957.

9 (11) **“Qualifying feedstock” means feedstock from canola, camelina, flax, sunflower,
 10 safflower and used cooking oil.**

11 [(11)] (12) “Retail dealer” means any person who owns, operates, controls or supervises an es-
 12 tablishment at which gasoline is sold or offered for sale to the public.

13 [(12)] (13) “Wholesale dealer” means any person engaged in the sale of gasoline if the seller
 14 knows or has reasonable cause to believe the buyer intends to resell the gasoline in the same or
 15 an altered form to another.

16 **SECTION 2.** ORS 646.922, as amended by section 2, chapter 55, Oregon Laws 2010, is amended
 17 to read:

18 646.922. (1) A retail dealer, nonretail dealer or wholesale dealer may not sell or offer for sale
 19 diesel fuel unless:

- 20 (a) The diesel fuel contains at least two percent biodiesel by volume; **and**
- 21 (b) **At least 50 percent by volume of the biodiesel is produced from qualifying feedstock.**

22 (2)(a) Two months after the date of the notice given under ORS 646.921 (2), a retail dealer,
 23 nonretail dealer or wholesale dealer may not sell or offer for sale diesel fuel unless:

- 24 (A) The diesel fuel contains at least five percent biodiesel by volume; **and**
- 25 (B) **At least 50 percent by volume of the biodiesel is produced from qualifying feedstock.**

26 (b) Diesel fuel containing more than five percent biodiesel by volume must be labeled as pro-
 27 vided by the State Department of Agriculture by rule.

28 (3) A retail dealer, nonretail dealer or wholesale dealer may sell or offer for sale diesel fuel that
 29 otherwise meets the requirements of subsections (1) and (2) of this section and rules adopted pur-
 30 suant to ORS 646.957 but to which there have been added substances to prevent congealing or
 31 gelling of diesel fuel containing biodiesel, without violating the requirements of subsections (1) and
 32 (2) of this section and rules adopted pursuant to ORS 646.957. This subsection applies only to diesel
 33 fuel sold or offered for sale during the period from October 1 of any year to February 28 of the
 34 following year.

35 (4) The department shall adopt standards for biodiesel or other renewable diesel sold in this
 36 state. The department shall consult the specifications established for biodiesel or other renewable
 37 diesel by ASTM International in forming its standards. The department may review specifications
 38 adopted by ASTM International, or equivalent organizations, and revise the standards adopted pur-
 39 suant to this subsection as necessary.

40 (5) The minimum biodiesel fuel content requirements under subsections (1) and (2) of this section
 41 do not apply to diesel fuel sold or offered for sale for use by railroad locomotives, marine engines
 42 or home heating.

43 **SECTION 3.** ORS 646.922, as amended by sections 2 and 5, chapter 55, Oregon Laws 2010, is
 44 amended to read:

45 646.922. (1) A retail dealer, nonretail dealer or wholesale dealer may not sell or offer for sale

1 diesel fuel unless:

2 (a) The diesel fuel contains at least two percent biodiesel by volume; **and**

3 **(b) At least 50 percent by volume of the biodiesel is produced from qualifying feedstock.**

4 (2)(a) Two months after the date of the notice given under ORS 646.921 (2), a retail dealer,
5 nonretail dealer or wholesale dealer may not sell or offer for sale diesel fuel unless:

6 **(A) The diesel fuel contains at least five percent biodiesel by volume; and**

7 **(B) At least 50 percent by volume of the biodiesel is produced from qualifying feedstock.**

8 **(b) Diesel fuel containing more than five percent biodiesel by volume must be labeled as pro-**
9 **vided by the State Department of Agriculture by rule.**

10 (3) The department shall adopt standards for biodiesel or other renewable diesel sold in this
11 state. The department shall consult the specifications established for biodiesel or other renewable
12 diesel by ASTM International in forming its standards. The department may review specifications
13 adopted by ASTM International, or equivalent organizations, and revise the standards adopted pur-
14 suant to this subsection as necessary.

15 (4) The minimum biodiesel fuel content requirements under subsections (1) and (2) of this section
16 do not apply to diesel fuel sold or offered for sale for use by railroad locomotives, marine engines
17 or home heating.

18 **SECTION 4.** ORS 646.922, as amended by section 3, chapter 752, Oregon Laws 2009, and
19 sections 3 and 6, chapter 55, Oregon Laws 2010, is amended to read:

20 646.922. (1) A retail dealer, nonretail dealer or wholesale dealer may not sell or offer for sale
21 diesel fuel unless:

22 (a) The diesel fuel contains at least two percent biodiesel by volume or other renewable diesel
23 with at least two percent renewable component by volume; **and**

24 **(b) At least 50 percent by volume of the biodiesel or other renewable diesel is produced**
25 **from qualifying feedstock.**

26 (2)(a) Two months after the date of the notice given under ORS 646.921 (2), a retail dealer,
27 nonretail dealer or wholesale dealer may not sell or offer for sale diesel fuel unless:

28 **(A) The diesel fuel contains at least five percent biodiesel by volume or other renewable diesel**
29 **with at least five percent renewable component by volume; and**

30 **(B) At least 50 percent by volume of the biodiesel or other renewable diesel is produced**
31 **from qualifying feedstock.**

32 **(b) Diesel fuel containing more than five percent biodiesel by volume or other renewable diesel**
33 **with more than five percent renewable component by volume must be labeled as provided by the**
34 **State Department of Agriculture by rule.**

35 (3) The department shall adopt standards for biodiesel or other renewable diesel sold in this
36 state. The department shall consult the specifications established for biodiesel or other renewable
37 diesel by ASTM International in forming its standards. The department may review specifications
38 adopted by ASTM International, or equivalent organizations, and revise the standards adopted pur-
39 suant to this subsection as necessary.

40 (4) The minimum biodiesel fuel content or renewable component in other renewable diesel re-
41 quirements under subsections (1) and (2) of this section do not apply to diesel fuel sold or offered
42 for sale for use by railroad locomotives, marine engines or home heating.

43 **SECTION 5. The amendments to ORS 646.905 and 646.922 by sections 1 to 4 of this 2011**
44 **Act apply to diesel fuel sold in this state on or after the effective date of this 2011 Act.**