

**From:** MASON Palmer

**Sent:** Friday, February 27, 2015 5:03 PM

**To:** REP VegaPederson; REP Heard; REP Holvey; REP Bentz; REP Reardon; REP Johnson; REP Boone; REP Weidner; REP Helm

**Cc:** DEQ Legislative File; PEDERSEN Dick; HAMMOND Joni; ALDRICH Greg; MASON Palmer

**Subject:** SB 324 / Clean Fuels / Correction to DEQ Testimony

Dear Chair Pederson & Committee Members-

During yesterday's public hearing on SB 324, DEQ was asked about the baseline carbon intensity values for the program. We inadvertently provided the committee with incorrect values for gasoline and diesel as recently adopted in the final rule. The values reported were 92 gCO<sub>2</sub>e/MJ and 89 gCO<sub>2</sub>e/MJ for gasoline and diesel, respectively, but these values were actually used in previous draft documents. The correct response is that the baseline carbon intensity values adopted in the 2015 final rule are 89.31 gCO<sub>2</sub>e/MJ for gasoline and 87.09 gCO<sub>2</sub>e/MJ for diesel.

The baseline carbon intensity values require DEQ to gather information about the lifecycle greenhouse gas emissions of gasoline, diesel, ethanol and biodiesel and to answer such key questions as how much of these fuels are used in Oregon and where the fuels originate from. When DEQ began its initial analysis, 2007 actual data was used. Since DEQ continuously uses the latest data available, the baseline carbon intensity values have changed throughout the development of the program. The 92 gCO<sub>2</sub>e/MJ and 89 gCO<sub>2</sub>e/MJ values were used prior to the January 2015 rulemaking. However, since the program timeline was revised to 2015 – 2025, the 89.31 gCO<sub>2</sub>e/MJ and 87.09 gCO<sub>2</sub>e/MJ values were adopted in January 2015.

We apologize for this misstatement and wanted to inform the committee members of this error as soon as possible. As always, please let us know if you or your staff have any questions.

Palmer

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