

As Oregon considers extending clean-fuel standard, environmentalists are divided

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SALEM -- Most Oregon environmental groups and legislative Democrats have lined up in support of the state's clean-fuel standard -- and a bill to keep the program is now speeding through the Legislature.

But nationally, some environmental groups think that targeting carbon emissions from vehicle fuel is one of the least effective and costliest ways to fight global warming.

"About the most expensive way you reduce carbon is by shifting fuels," said Timothy Searchinger, a Princeton research scholar and senior fellow at the **World Resources Institute**, an environmental think tank in Washington, D.C. "In all, it's a very bad idea."

Oregon's clean-fuels program, also called the low-carbon standard, would set progressively tighter limits on fuels' carbon "intensity" over the next decade. The Oregon Senate has already passed **Senate Bill 324**, needed to keep the program from expiring this year. The House could pass the bill next week, and if it reaches her desk, Gov. Kate Brown is expected to sign it.

Even so, the clean-fuels program has become a nexus of controversy since the legislative session began Feb. 2. Federal authorities are looking at the program as part of a wide-ranging investigation of former Gov. John Kitzhaber and his fiancée, Cylvia Hayes.

Because Hayes played a role in promoting the program, legislative Republicans have called for putting the brakes on the bill. This week, Senate Republicans, protesting the fuel bill, bailed on bipartisan talks on a transportation plan.

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From a policy standpoint, lawmakers also disagree on how much the standard would increase fuel prices. The Oregon Department of Environmental Quality estimates an increase of four to 19 cents a gallon by 2025. Republicans have likened it to a gas tax that would hurt residents of their mostly rural districts.

In theory, low-carbon programs aimed at oil and gas distributors encourage the use of environmentally friendly energy.

But some worry that Oregon's policy would instead lead to a reliance on fuels blended with a higher percentage of ethanol -- fuel derived from plant material, or biomass. Critics argue that biomass requires so much farmland and water that it's hardly environmentally friendly. Others question whether using ethanol over fossil fuels leads to

less carbon emissions.

Ethanol requires farmland to be repurposed for growing corn -- the most common plant used for ethanol production in the U.S. -- which releases carbon trapped the earth's soil, said Jason Hill, a bioengineering researcher at the University of Minnesota. And because most corn for ethanol is grown and processed in the Midwest, more fuel would be burned to transport it to Oregon, resulting in higher carbon "intensity."

"There's really nothing to say that you reduce carbon with ethanol emissions," Hill said. "A low-carbon fuel standard is a nonstarter at this point."

Dick Pederson, Oregon Department of Environmental Quality director, testifies before the House environment committee Tuesday in support of Senate Bill 324. The bill would extend the state's clean fuels program.

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The World Resources Institute (the group that hired former Portland Mayor Sam Adams in January) released a **report** last month urging governments to back away from encouraging plant-based fuel production. The process is so

inefficient, the study found, that it would never be able to replace standard oil as the world's primary form of fuel.

In general, low-carbon policies give power plants and other major carbon-producing industries a pass, said Searchinger, the lead author of the World Resources Institute study. He likened Oregon's program to an energy-reduction policy for a home that focuses only on windows.

"The whole idea is approaching the wrong people," he said

In addition, ethanol producers in Oregon question whether production could meet the long-term demand.

"We would rather make money selling products to people without this kind of scheme," said Paul Cosgrove, an ethanol industry lobbyist. "It is an unworkable problem in the first couple of years. There will not be supply."

In addition, Cosgrove said, Oregon's tightest limits would put fuels past a "blending wall" -- requiring more ethanol than standard cars can take.

Other bills have been introduced this session to create fee and permit systems, which would include power plants and other carbon polluters. While supporters of those bills don't oppose the clean-fuel standard, they say the same result could be achieved with less regulation.

"I think we all have the dream of this West Coast climate block," said Dan Golden, policy director for **Oregon Climate**. "You would achieve the same thing with less of a regulatory burden."

Others question reliance on an untested concept. California and British Columbia have similar programs, but they are just beginning to take effect.

"There are a lot of variables and it's extremely difficult -- or even impossible -- to predict how these variables

might affect the future," said Eric de Place, policy director for **Sightline**, a Seattle-based environmental policy think tank. "Some of it is unknowable."

Democrats acknowledge the uncertainties but say that's no reason not to take action.

"I personally believe this legislation is ready to go," Senate environment committee Chairman **Chris Edwards**, D-Eugene, told a House committee this week. "You will probably hear a lot of fears of the unknown. While we did our best to dig into those potential fears, there are some very real unknowns."

"The easiest way to kill a bill is to generate fear," added Rep. **Peter Buckley**, D-Ashland. "We'll do our part to address this threshold question, which is to me the question of our time."

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