

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session  
STAFF MEASURE SUMMARY**

**MINORITY REPORT**

**MEASURE:** SB 324 MRA  
**CARRIER:** Sen. Olsen  
Sen. Thomsen

**Senate Committee On Environment and Natural Resources**

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact, statement issued (Indeterminate Impact)

---

**Action Date:** 02/04/15

**Action:** Do Pass With Different Amendments. (Printed A-Eng Minority)

**Meeting Dates:** 02/02, 02/04

**Signers of the Report:** Sen. Alan Olsen, Sen. Chuck Thomsen

**Prepared By:** Beth Reiley, Committee Administrator

---

**WHAT THE MEASURE DOES:**

Repeals sunset on provisions related to low carbon fuel standards. Prohibits Environmental Quality Commission (Commission) from requiring compliance with low carbon fuel standards if division of Department of Administrative Services (Division) that serves as office of economic analysis finds that projected incremental cost of compliance would exceed four percent of projected average annual retail cost of gasoline or diesel in Oregon. Requires Commission to suspend requirements to comply with low carbon fuel standards upon certain findings by Division. Allows Commission to reinstate requirements to comply with low carbon fuel standards upon certain findings by Division. Refers legislation to people for approval or rejection at special election held throughout state in November, 2015.

**ISSUES DISCUSSED:**

- Environmental Quality Commission's public process for development of Clean Fuels Program
- Availability and cost of fuels
- Comparison to California's low carbon fuel standard
- Cost containment mechanism

**EFFECT OF COMMITTEE AMENDMENT:**

Removes emergency clause. Refers legislation to people for approval or rejection at special election held throughout state in November, 2015.

**BACKGROUND:**

In 2009 the Oregon Legislature passed House Bill 2186 which authorized the Oregon Environmental Quality Commission (Commission) to adopt rules to reduce the average amount greenhouse gas emissions per unit of fuel energy of the fuels by 10 percent below 2010 levels by 2020. In December, 2012 the Commission completed Phase I of the rulemaking process requiring that Oregon fuel producers and importers register, keep records and report the volumes and carbon intensities of the transportation fuels they provide in Oregon. In January, 2015 the Commission completed Phase II of the rulemaking process requiring suppliers and importers to report the carbon intensity of their fuels this year, and then meet carbon intensity reduction targets starting at 0.25 percent in 2016 and rising to 10 percent by 2025.

Senate Bill 324 A (Minority) would repeal the sunset provision on the low carbon fuel standards. The Act would prohibit the Environmental Quality Commission from requiring compliance with the low carbon fuel standards if the Department of Administrative Services found that the projected incremental cost of compliance with the low carbon fuel standard would exceed four percent of the projected average annual retail cost of gasoline or diesel in Oregon. Senate Bill 324 A (Minority) would refer

## **MINORITY REPORT**

the legislation to the people for the approval or rejection at a special election held throughout the state in November, 2015.