

Senate Bill 1053

Sponsored by Senator FERRIOLI

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 Division of Audits to hire or contract with independent, third-party entity to conduct cost-benefit analysis of low carbon fuel standards and associated rules.

Sunset December 31, 2018.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to conducting a cost-benefit analysis of low carbon fuel standards; and prescribing an effective date.

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

SECTION 1. (1) The Division of Audits of the office of the Secretary of State shall hire or contract with an independent, third-party entity to conduct a cost-benefit analysis of the low carbon fuel standards and associated provisions adopted by the Environmental Quality Commission by rule under ORS 468A.275 and of any rules proposed by the commission as of the effective date of this 2017 Act.

(2) The cost-benefit analysis required by this section must address:

(a) The total greenhouse gas emissions in this state that will be reduced by the year 2025 through implementation of the low carbon fuel standards. The analysis under this paragraph must include, but need not be limited to, consideration of:

(A) The indirect land use change emissions associated with the production and use of fuels used as substitutes for gasoline or diesel; and

(B) Estimated greenhouse gas reductions associated with credits obtained under rules adopted by the commission for managing and containing the costs of compliance with the standards.

(b) Observed and anticipated fluctuations and variation in the cost of credits, assuming no prescribed maximum or minimum price for the credits.

(c) The point during the phased implementation of the low carbon fuel standards at which regulated parties will no longer be able to meet the low carbon fuel standards through blending.

(d) The total anticipated monetary costs of the low carbon fuel standards to regulated parties and to residents of Oregon.

(e) The total benefits of the low carbon fuel standards to slowing the progress of climate change, measured by a calculation of how much the anticipated reductions in greenhouse gas emissions attributable to the low carbon fuel standards will contribute to slowing predicted average global temperature increases and slowing the effects on Oregon of those predicted average global temperature increases over the next 10, 20, 30, 40 and 50 years.

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 (f) The possible impacts on the effectiveness of the low carbon fuel standards by:
2 (A) The implementation of deferrals, pursuant to ORS 468A.275 (2)(a)(D), as necessary to
3 ensure adequate fuel supplies; or
4 (B) The adoption and implementation of provisions that, notwithstanding ORS 646.913 and
5 646.922, would allow for regulated parties under the standards to offer for sale in this state:
6 (i) Gasoline that contains a percentage of ethanol other than 10 percent ethanol by vol-
7 ume; or
8 (ii) Diesel fuel that contains less than five percent biodiesel by volume or other renewable
9 diesel with less than five percent renewable component by volume.

10 (g) This state's annual greenhouse gas emissions as a percentage of annual global
11 greenhouse gas emissions.

12 (3) The Division of Audits shall prepare a report on the results of the cost-benefit anal-
13 ysis required by this section and submit the report in the manner required by ORS 192.245
14 to the appropriate interim committees of the Legislative Assembly no later than September
15 15, 2018.

16 SECTION 2. Section 1 of this 2017 Act is repealed December 31, 2018.

17 SECTION 3. This 2017 Act takes effect on the 91st day after the date on which the 2017
18 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.
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