

HB 4141 -2, -4 STAFF MEASURE SUMMARY

Joint Committee On Transportation

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Meeting Dates: 2/10

WHAT THE MEASURE DOES:

Establishes a timeline for restriction on sales of petroleum diesel for use in motor vehicles. Establishes separate timeline for restriction on purchase of petroleum diesel for use in motor vehicles by public bodies. Directs Oregon Department of Agriculture to suspend enforcement of restrictions in the event that the supply of renewable diesel is determined to be insufficient to meet anticipated demand. Directs Oregon Department of Forestry to study the feasibility of converting lignocellulosic biomass derived from invasive tree species into renewable diesel feedstocks.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Replaces the measure. Directs Department of Administrative Services to coordinate with Department of Energy to study the availability of transportation energy sources that can be used as alternatives to diesel fuel to develop a renewable fuel supply forecast for the state. Outlines minimum scope of study. Directs DAS to provide progress report by January 15, 2023, and to report findings to legislative committees related to energy by September 15, 2023. Sunsets January 2, 2024. Takes effect on 91st day following adjournment sine die.

-4 Replaces the measure. Establishes a Task Force on Renewable Diesel, consisting of 10 members appointed by the Speaker, Senate President, and Governor and three ex-officio members representing the Oregon Department of Agriculture, Oregon Department of Environmental Quality, and Oregon Department of Energy. Directs Task Force to study the availability of renewable diesel in Oregon and incentives for increasing the availability of renewable diesel; develop estimates for current and future demand for diesel fuels for the state as a whole and subdivisions within the state; develop recommendations for restrictions on distribution of petroleum diesel and increased use of renewable diesel; analyze cost differences between different types of fuel; and restrictions on the use of petroleum diesel by state agencies. Directs Task Force to submit report to Legislative Assembly no later than December 31, 2022. Directs Department of Agriculture to staff the Task Force. Sunsets January 2, 2023. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

Renewable diesel is an advanced biofuel that is made from similar sources used for biodiesel, but is created using a process that involves heat, pressure, and hydrogen to create a cleaner fuel that is also suitable for use in diesel engines.

House Bill 4141 sets timelines for prohibition of non-retail sale of petroleum-derived diesel to consumers for use in motor vehicles as follows: January 1, 2025 in Clackamas, Washington, and Multnomah counties; January 1, 2027 in western Oregon; and January 1, 2029 throughout all of Oregon. Retail sale of petroleum would be prohibited a year later for both of the first two steps (2025 and 2028) but would likewise be prohibited statewide beginning January 2029.

The measure also directs the Oregon Department of Agriculture to study petroleum diesel and renewable diesel supplies in Oregon and whether the supply of alternatives to petroleum diesel are sufficient to meet the anticipated demand for fuel while satisfying the timeline requirements, and also to determine whether the cost of

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renewable diesel exceeds the cost of petroleum diesel by greater than . The Oregon Department of Forestry is directed to study the feasibility of converting biomass from invasive tree species, such as western juniper, into renewable diesel feedstocks.