

Senate Bill 803

Sponsored by COMMITTEE ON ENERGY AND ENVIRONMENT

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**.

Establishes standard for carbon intensity and other characteristics of diesel fuel used in on-road motor vehicles. Establishes timeline for Oregon fuel standard to apply to regions of state.

Directs State Department of Agriculture to suspend requirement that fuels meet standard if supply is insufficient to meet anticipated demand. Directs department to suspend requirement that fuels meet standard if price of fuels that meet standard exceeds price of petroleum diesel.

A BILL FOR AN ACT

1
2 Relating to diesel fuel.

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

4 **SECTION 1. As used in sections 1 to 6 of this 2023 Act:**

5 (1) **“Carbon intensity value” means the amount of lifecycle greenhouse gas emissions per**
6 **unit of energy of a transportation fuel, expressed in grams of carbon dioxide equivalent per**
7 **megajoule of energy, determined using the Oregon Greenhouse Gases, Regulated Emissions,**
8 **and Energy Use in Transportation model maintained by the Department of Environmental**
9 **Quality or a successor model.**

10 (2) **“Eastern Oregon” means that portion of the State of Oregon lying east of a line be-**
11 **ginning at the intersection of the northern boundary of the state and the western boundary**
12 **of Hood River County, then continuing south along the western boundaries of the counties**
13 **of Hood River, Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the**
14 **state.**

15 (3) **“Motor vehicle” means every self-propelled vehicle operated on the highway, except**
16 **an implement of husbandry used in agricultural operations and only incidentally operated or**
17 **moved upon the highway.**

18 (4) **“Oregon renewable fuel standard” means the standard described in section 2 of this**
19 **2023 Act for diesel fuel sold or offered for sale for use in a motor vehicle in this state.**

20 (5) **“Seller” has the meaning given that term in ORS 319.520.**

21 (6) **“Use in a motor vehicle” means receiving, into any receptacle on a motor vehicle, fuel**
22 **to be consumed in propelling the motor vehicle on the highways of this state.**

23 (7) **“Western Oregon” means that portion of the State of Oregon lying west of a line be-**
24 **ginning at the intersection of the northern boundary of the state and the western boundary**
25 **of Hood River County, then continuing south along the western boundaries of the counties**
26 **of Hood River, Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the**
27 **state.**

28 **SECTION 2. To meet the Oregon renewable fuel standard, diesel fuel sold or offered for**
29 **sale for use in a motor vehicle must be:**

30 (1) **A diesel fuel substitute, with a carbon intensity value of 60 grams of carbon dioxide**

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 equivalent per megajoule or less, produced from nonfossil renewable resources, that meets
2 ASTM D975 specifications and can be used in an engine designed to operate on conventional
3 diesel fuel;

4 (2) A diesel fuel blend where at least 99 percent of the mixture by volume meets the
5 standards described in subsection (1) of this section and no more than one percent of the
6 mixture is petroleum diesel; or

7 (3) Any diesel fuel blend produced from nonfossil renewable resources, with a carbon in-
8 tensity value of 60 grams of carbon dioxide equivalent per megajoule or less.

9 **SECTION 3.** (1) Diesel fuel sold or offered for sale for use in a motor vehicle must meet
10 the Oregon renewable fuel standard on or after the following dates:

11 (a) January 1, 2026, for diesel fuel sold at a seller's establishment located in Clackamas,
12 Washington or Multnomah County.

13 (b) January 1, 2028, for diesel fuel sold at a seller's establishment located in western
14 Oregon.

15 (c) January 1, 2030, for diesel fuel sold at a seller's establishment located anywhere in
16 this state.

17 (2) Notwithstanding subsection (1) of this section, during the period beginning on October
18 1 of each year and ending on February 28 of the following year, a seller may offer for sale
19 in eastern Oregon diesel fuel that does not meet the Oregon renewable fuel standard if:

20 (a) Substances to prevent congealing or gelling have been added to the diesel fuel, in-
21 cluding petroleum diesel in concentrations higher than one percent; and

22 (b) The diesel fuel would have otherwise met the Oregon renewable fuel standard but for
23 the addition of substances described in paragraph (a) of this subsection.

24 (3) All retail dealers, nonretail dealers and wholesale dealers, as those terms are defined
25 in ORS 646.905, in this state are required to provide, upon the request of the State Depart-
26 ment of Agriculture, a certificate of analysis for renewable fuels received.

27 **SECTION 4.** (1) The State Department of Agriculture, in consultation with the Depart-
28 ment of Environmental Quality, shall study:

29 (a) The current and forecasted supply in this state of petroleum diesel;

30 (b) The current and forecasted supply in this state of fuels that meet the Oregon
31 renewable fuel standard that can be used as an alternative to petroleum diesel; and

32 (c) Whether the supply of fuels that meet the Oregon renewable fuel standard that can
33 be used as alternatives to petroleum diesel is sufficient to meet the anticipated demand for
34 diesel fuel consistent with section 3 of this 2023 Act.

35 (2) If the State Department of Agriculture determines under subsection (1) of this section
36 that the anticipated supply in this state of fuels that meet the Oregon renewable fuel
37 standard is insufficient to meet anticipated demand, the department shall suspend enforce-
38 ment of section 3 of this 2023 Act for a period of no less than one year. The department may
39 resume enforcement of section 3 of this 2023 Act if, in a subsequent report under subsection
40 (3) of this section, the department determines that the anticipated supply of fuels that meet
41 the Oregon renewable fuel standard is sufficient to meet anticipated demand.

42 (3) The department shall annually report the results of the study conducted under sub-
43 section (1) of this section to the interim committees of the Legislative Assembly related to
44 energy in the manner provided by ORS 192.245.

45 **SECTION 5.** (1) Every 14 days, the State Department of Agriculture shall determine the

1 average price of fuels available to consumers in Oregon that meet the Oregon renewable fuel
 2 standard and that can be used as alternatives to petroleum diesel.

3 (2) If the average price determined under subsection (1) of this section exceeds the price
 4 of petroleum diesel, as measured by the Oil Price Information Service (OPIS), made available
 5 at a storage terminal located in Portland, Eugene or Umatilla County for a period of 14
 6 consecutive days, the department shall suspend for a period of 90 days enforcement of the
 7 provisions of section 3 of this 2023 Act.

8 **SECTION 6.** The State Department of Agriculture shall enforce the provisions of sections
 9 1 to 6 of this 2023 Act and is authorized to make any rules necessary to carry out the pro-
 10 visions of sections 1 to 6 of this 2023 Act in accordance with the applicable provisions of ORS
 11 chapter 183.

12 **SECTION 7.** Section 3 of this 2023 Act is amended to read:

13 **Sec. 3.** (1) Diesel fuel sold or offered for sale for use in a motor vehicle must meet the Oregon
 14 renewable fuel standard. [*on or after the following dates:*]

15 [(a) January 1, 2026, for diesel fuel sold at a seller's establishment located in Clackamas,
 16 Washington or Multnomah County.]

17 [(b) January 1, 2028, for diesel fuel sold at a seller's establishment located in western Oregon.]

18 [(c) January 1, 2030, for diesel fuel sold at a seller's establishment located anywhere in this
 19 state.]

20 (2) Notwithstanding subsection (1) of this section, during the period beginning on October 1 of
 21 each year and ending on February 28 of the following year, a seller may offer for sale in eastern
 22 Oregon diesel fuel that does not meet the Oregon renewable fuel standard if:

23 (a) Substances to prevent congealing or gelling have been added to the diesel fuel, including
 24 petroleum diesel in concentrations higher than one percent; and

25 (b) The diesel fuel would have otherwise met the Oregon renewable fuel standard but for the
 26 addition of substances described in paragraph (a) of this subsection.

27 (3) All retail dealers, nonretail dealers and wholesale dealers, as those terms are defined in ORS
 28 646.905, in this state are required to provide, upon the request of the State Department of Agricul-
 29 ture, a certificate of analysis for renewable fuels received.

30 **SECTION 8.** The amendments to section 3 of this 2023 Act by section 7 of this 2023 Act
 31 become operative on January 1, 2030.
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