

House Bill 2210 Renewable Fuel Standards – November 2007

Summary of the Renewable Fuel Standards Section of HB2210:

Establishes standards for biodiesel and ethanol to be monitored by Oregon Department of Agriculture through its' Weights and Measures fuel quality responsibilities. Requires Oregon Department of Agriculture to monitor biodiesel fuel production, and ethanol production capacity in Oregon to initiate minimum fuel blending requirements statewide for biodiesel and ethanol. Excludes diesel fuel sold for use by locomotives. Once production capacity of ethanol reaches 40 million gallons per year, it requires retail gasoline dealers to sell only gasoline that contains at least ten percent ethanol within three months. Once production of biodiesel in the state, using feedstocks from Oregon Washington, Idaho and Oregon, reaches five million gallons, annualized for at least 3 months, retail diesel dealers are required to sell only diesel that contains at least two percent biodiesel within 3 months. Once production of biodiesel in the state, using feedstocks from Oregon Washington, Idaho and Oregon, reaches fifteen million gallons, annualized for at least 3 months, retail diesel dealers are required to sell only diesel that contains at least five percent biodiesel within 3 months. The sale of methyl tertiary butyl ether (MTBE) and other gasoline additives is restricted to fifteen hundredths of a percent.

Administrative Rulemaking Underway:

The renewable fuels standards required under House Bill 2210 are undergoing Administrative Rulemaking and are being held by the Department of Agriculture.

Agriculture has two subcommittees of their Advisory Group meeting at 9:30 on December 4th and 5th to address the aviation/small engine fuel issue and the dates for statewide distribution of ethanol fuel. The next full Advisory Committee Meeting for House Bill 2210 Administrative Rules is scheduled for December 12th at 9:30 at Agriculture.

Below are issues that Agriculture is addressing in the rulemaking through the Advisory Committee approach:

1. Exemption for aircraft using auto gas. We've had calls from multiple parties asking for an exemption as according to them some aircraft are specifically designed to use auto gas. Use of gasoline with 10% could cause the aircraft mechanical problems.
2. Requests have come in for exemption for marine use alleging damage to fuel tanks, fuel lines, engines, and absorption of water.
3. Possible exemption for small engines, snowmobiles and classic autos. (We need to determine if we have the ability to change a statute thru rule which we probably don't (Renee call). If the answer is NO, as we think it is, direct the parties to the appropriate people to deal with their concerns. May have to be addressed in the Feb. legislative session.)
4. Issues with the certificate of analysis. Number of tests ODA can do on B100 at owners expense, short test versus full test, etc.
5. Contention with temporary rule and different compliance dates.

6. Push to make it a two region phase in instead of a three region phase in.
7. Harmonizing labeling requirements with requirements in place in Portland.
8. Enforcement for non-compliance of mandate. This is a start with what we see as issues based on questions we have had to this point.

For details of the rulemaking schedule, and draft rules go to:

<http://www.oregon.gov/ODA/adminrules.shtml>