

Biodiesel Blending Requirements in Oregon : Oregon Department of Agriculture (ODA)

House Bill 3463 (2009) amended the 2007 law for biodiesel blending requirements in Oregon's petroleum diesel fuels. The 2007 law required a B2 (2% biodiesel blend) when 5 million gallons of annualized production was available, derived from feedstock sources in OR, WA, ID, and MT. The 2009 change requires B2 blend when the **capacity** to produce 5 million gallons is reached.

ODA verified the capacity trigger had been met on passage of the legislation. The law is very specific about when and where the B2 requirement comes into effect.

A retail dealer, nonretail dealer, or wholesale dealer may only sell or offer for sale diesel fuel in Oregon containing at least two percent by volume biodiesel according to the following dates:

After August 1, 2009 in the counties of: Clackamas, Clatsop, Columbia, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill

After October 1, 2009: All remaining counties not listed above

Exceptions: Only diesel fuel sold or offered for sale for use by railroad locomotives, marine engines, and home heating is exempt for the requirement to be blended with biodiesel.

Biodiesel delivery documentation: During routine inspections, complaints, or installments of new pumps, ODA will check delivery documentation for biodiesel blend requirements.

Biodiesel dispenser labeling: If the fuel is a 5% or less biodiesel blend, then no additional dispenser ("pump") labeling is required. For information on labeling biodiesel blends please see our web page: http://www.oregon.gov/ODA/MSD/biofuel_dispensers.shtml

Biodiesel storage tank preparation: Biodiesel is a natural solvent and may absorb water and contaminants in storage tanks. It may distribute them through a delivery system and into a consumer's vehicle. Due to this characteristic, the maximum permissible water in a biodiesel or biodiesel blend storage tank is 1/4 inch. Proper cleaning of the storage tanks to remove all water and other contaminants is essential prior to your first delivery of any biodiesel or biodiesel blend. Also during this transition, frequent changing of the dispenser's fuel filters may be required.

Biodiesel Availability, Price, and Quality Issues: ODA has received some input from fuel distributors in Eastern Oregon along the Idaho border indicating potential concerns of availability and price regarding the October 1 deadline. ODA has investigated these issues and finds that biodiesel is available from Boise, Hermiston, Salem, Portland, and other sources. The issue of sourcing a blended product as B2, or pure biodiesel and splash blending, is a decision of the distributor based on their ability to handle and store product.

The law does not allow ODA to provide allowances or exceptions to the requirement for B2 blends on the grounds of price. Nor does ODA have any standard for deciding what level of price differential would even trigger such an exception. Further, information available to the department indicates that sourcing B2 or biodiesel for blending, even outside the area, is available without adding significantly to the final fuel cost.

Fuel quality is a critical issue to fuel handlers and consumers, and ODA will be monitoring to ensure motor fuel quality meets appropriate specifications.

Biodiesel distributors and retailers can be located at:

<http://www.biodiesel.org/buyingbiodiesel/distributors/biomaps/biomaps.shtml#>

<http://www.biodiesel.org/buyingbiodiesel/retailfuelsites/biomaps/biomaps.shtml>