

## HB 4141 -9 STAFF MEASURE SUMMARY

### Joint Committee On Transportation

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**Meeting Dates:** 2/10, 2/15, 2/22

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#### 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:

- State greenhouse gas reduction and air quality goals
- Health impacts of diesel emissions
- Similarities and differences between petroleum diesel and renewable diesel
- Use of renewable diesel in newer and older trucks
- Production capacity of renewable diesel
- Fleets that have already converted to renewable diesel
- Impact of renewable diesel on vehicle maintenance
- Possible alternatives to renewable diesel

#### EFFECT OF AMENDMENT:

-9 Replaces the measure. Establishes the Task Force on Renewable Diesel, consisting of nine voting members appointed by the Governor, four non-voting legislative members appointed by the Speaker and Senate President, and three non-voting ex-officio members representing Department of Agriculture, Department of Environmental Quality, and Department of Energy. Directs Task Force to study availability of renewable diesel in Oregon and incentives for increasing its availability; to develop estimates of current and future demand for diesel fuels, both statewide and regionally; and to analyze cost difference between renewable diesel and other fuels and to calculate the implications of removing petroleum diesel from the marketplace. Authorizes Task Force, with approval of majority of its members, to study or develop recommendations on matters related to availability of renewable diesel. Requires Task Force to submit report to legislative committees related to environment by December 31, 2022. Designates Department of Agriculture and Department of Energy to staff Task Force. Sunsets January 2, 2023. Takes effect on 91st day following adjournment sine die.

***FISCAL - fiscal impact statement issued on measure with the -9 amendment***

***REVENUE - no revenue impact on measure with the -9 amendment***

#### 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

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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 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.