

**SB 803 A STAFF MEASURE SUMMARY**

**Senate Committee On Energy and Environment**

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**Action Date:** 04/04/23

**Action:** Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

**Vote:** 4-1-0-0

**Yeas:** 4 - Findley, Golden, Lieber, Sollman

**Nays:** 1 - Hayden

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Beth Reiley, LPRO Analyst

**Meeting Dates:** 3/2, 3/9, 4/4

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**WHAT THE MEASURE DOES:**

Directs Department of Environmental Quality (DEQ) to study feasibility of phasing out fossil diesel fuels with high carbon intensity value as transportation fuels in Oregon. Requires study to examine impacts of requiring a carbon intensity value of 60 grams of carbon dioxide equivalent per megajoule or less for onroad diesel fuel. Requires DEQ, in consultation with State Department of Agriculture, the Oregon Department of Administrative Services, the Department of Transportation or any other relevant state agency, to: study the price and availability of renewable fuels with carbon intensity value of 60 grams of carbon dioxide equivalent per megajoule or less in state; study incentives for increasing availability of renewable fuels; develop estimates of current and future demand for onroad diesel fuels, including estimates for specific regions of the state; analyze effects of removing petroleum diesel from marketplace on Clean Fuels Program; and analyze cost difference between renewable fuels. Requires DEQ to submit findings in report, which may include recommendations for legislation, to interim legislative committees related to the energy and climate no later than September 15, 2024. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Workgroup process to inform study
- Available supply of renewable diesel
- Benefits of operating vehicles using renewable diesel
- Carbon intensity of renewable diesel versus traditional diesel

**EFFECT OF AMENDMENT:**

Replaces the measure.

**BACKGROUND:**

According to the U.S. Department of Energy, renewable diesel is a fuel made from fats and oils, such as soybean oil or canola oil, and is processed to be chemically the same as petroleum diesel. It meets the ASTM D975 specification for petroleum in the United States. Renewable diesel can be used as a replacement fuel or blended with any amount of petroleum diesel. As of January 1, 2022, the Energy Information Agency (EIA) reported that there are 11 domestic plants in six states with a capacity of 1,750 million gallons per year and it is estimated by the EIA that there will be added capacity of 2.4 billion gallons in the next few years that is in development, with an additional 1.8 billion gallons per year of planned capacity.

Senate Bill 803 A would direct the Department of Environmental Quality to study feasibility of phasing out fossil diesel fuels with high carbon intensity value as transportation fuels in Oregon and report to the Legislative Assembly no later than September 15, 2024.