

A-Engrossed
Senate Bill 803

Ordered by the Senate April 12
Including Senate Amendments dated April 12

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.

[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.]

Directs Department of Environmental Quality, in consultation with other state agencies, to study feasibility of phasing out fossil diesel fuels with high carbon intensity and examine impacts of requiring carbon intensity value of 60 grams of carbon dioxide equivalent per megajoule or less for onroad diesel fuel. Directs department to submit findings in report to interim committees of Legislative Assembly related to energy and climate no later than September 15, 2024.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to diesel fuel; and prescribing an effective date.

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

SECTION 1. (1) As used in this section, "carbon intensity value" means the amount of lifecycle greenhouse gas emissions per unit of energy of a transportation fuel, expressed in grams of carbon dioxide equivalent per megajoule of energy, determined using the Oregon Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation model maintained by the Department of Environmental Quality or a successor model.

(2) The department shall study the feasibility of phasing out fossil diesel fuels with a high carbon intensity value as transportation fuels in Oregon. The study shall examine the impacts of requiring a carbon intensity value of 60 grams of carbon dioxide equivalent per megajoule or less for onroad diesel fuel.

(3) In conducting the study, the department, in consultation with the State Department of Agriculture, the Oregon Department of Administrative Services, the Department of Transportation or any other relevant state agency, shall:

(a) Study the price and availability of renewable fuels with a carbon intensity value of 60 grams of carbon dioxide equivalent per megajoule or less in this state.

(b) Study incentives for increasing the availability of renewable fuels.

(c) Develop estimates of current and future demand for onroad diesel fuels in this state, including separate estimates for:

(A) The Portland metropolitan area;

(B) The portion of the state lying east of the Cascade Mountains; and

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 (C) The portion of the state lying west of the Cascade Mountains.

2 (d) Analyze the effects on the clean fuels program adopted under ORS 468A.266 if petro-
3 leum diesel is removed from the marketplace.

4 (e) Analyze the cost difference between renewable fuels with a carbon intensity value of
5 60 grams of carbon dioxide equivalent per megajoule or less and other transportation fuels,
6 including petroleum diesel, using market data from Oil Price Information Service, and cal-
7 culate the supply and demand implications if petroleum diesel is removed from the market-
8 place. An analysis under this paragraph may include:

9 (A) A baseline cost of diesel using a national average;

10 (B) An examination of other state costs and incentives specific to diesel fuel;

11 (C) An examination of the anticipated supply of, and logistics and distribution needs for,
12 the transportation fuels being studied; and

13 (D) An evaluation of the current relevant incentives, markets and subsidies for trans-
14 portation fuels, including tax credits and the clean fuels program adopted under ORS
15 468A.266, and their effect on the cost difference between renewable diesel and other trans-
16 portation fuels.

17 (4) The Department of Environmental Quality shall submit its findings in a report, which
18 may include recommendations for legislation, in the manner provided in ORS 192.245, to the
19 interim committees of the Legislative Assembly related to energy and climate no later than
20 September 15, 2024.

21 SECTION 2. This 2023 Act takes effect on the 91st day after the date on which the 2023
22 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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