

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 324**

1 On page 1 of the printed A-engrossed bill, delete lines 3 and 4 and insert
2 “and amending ORS 646.912, 646.913, 646.921 and 646.922.”.

3 Delete lines 6 through 20 and delete pages 2 through 4 and insert:

4 **“SECTION 1. The Legislative Assembly finds and declares that it is
5 the policy of this state to reduce carbon emissions through the con-
6 tinuation of state programs and policies that promote:**

7 **“(1) Research efforts into developing new or improved technologies
8 to reduce carbon emissions from automobiles or trucks;**

9 **“(2) The use of electric vehicles in this state through the provision
10 of incentives for the purchase of electric vehicles;**

11 **“(3) The conversion of vehicles that use gasoline or diesel to alter-
12 native fuel vehicles;**

13 **“(4) The development of electric vehicle charging stations and na-
14 tural gas fueling stations; and**

15 **“(5) The blending of gasoline in order to reduce greenhouse gas
16 emissions per unit of fuel energy.**

17 **“SECTION 2. ORS 646.912 is amended to read:**

18 **“646.912. (1) The State Department of Agriculture shall study and monitor
19 ethanol fuel production, use and sales in this state.**

20 **“[(2) When capacity of ethanol production facilities in Oregon reaches a
21 level of at least 40 million gallons, the department shall notify all retail deal-
22 ers, nonretail dealers and wholesale dealers in this state, in a notice that meets**

1 *the requirements of subsection (3) of this section.]*

2 **“(2) By June 31 of each year, the department shall:**

3 **“(a) Determine the commercial availability of ethanol in this state;**

4 **“(b) Adopt a standard for the quality and percentage of ethanol by**
5 **volume that must be blended with any gasoline to be sold or offered**
6 **for sale in this state during the next calendar year; and**

7 **“(c) Provide notice to all retail dealers, nonretail dealers and**
8 **wholesale dealers in this state, in a notice that meets the requirements**
9 **of subsection (4) of this section.**

10 **“(3) The annual standard adopted under subsection (2) of this sec-**
11 **tion shall ensure compliance with the standards adopted under ORS**
12 **646.913 and shall, to the extent feasible, prioritize the use of commer-**
13 **cially available ethanol:**

14 **“(a) With the lowest greenhouse gas emissions attributable to the**
15 **ethanol throughout its lifecycle; and**

16 **“(b) At a level that maximizes the use of ethanol commercially**
17 **available in this state for the calendar year.**

18 **“[(3)] (4) The notice under subsection (2) of this section shall inform retail**
19 **dealers, nonretail dealers and wholesale dealers that:**

20 **“(a) [*The capacity of ethanol production facilities in Oregon has reached***
21 ***the levels described in subsection (2) of this section]* **The department has**
22 **adopted a standard for the percentage of ethanol by volume that must**
23 **be blended with any gasoline to be sold or offered for sale in this state**
24 **during the next calendar year; and****

25 **“(b) [*Three months*] **Beginning on January 1 of the year** after the date
26 of the notice, a retail dealer, nonretail dealer or wholesale dealer may sell
27 or offer for sale only gasoline described in ORS 646.913.**

28 **“SECTION 3. ORS 646.913 is amended to read:**

29 **“646.913. (1) Except as provided in subsection [(5)] (4) of this section, a**
30 **retail dealer, nonretail dealer or wholesale dealer may not sell or offer for**

1 sale gasoline unless the gasoline contains *[10 percent ethanol by volume]* **the**
2 **quality and percentage of ethanol by volume required by the Depart-**
3 **ment of Agriculture pursuant to the department’s annually adopted**
4 **standard under ORS 646.912.**

5 “*[(2) Gasoline containing ethanol that is sold or offered for sale meets the*
6 *requirements of this section if the gasoline, exclusive of denaturants and per-*
7 *mitted contaminants, contains not less than 9.2 percent by volume of agricul-*
8 *turally derived, denatured ethanol that complies with the standards for ethanol*
9 *adopted by the State Department of Agriculture.]*

10 “[*(3)*] **(2)** The department shall adopt standards for ethanol blended with
11 gasoline sold in this state. The standards adopted shall require that the
12 gasoline blended with ethanol:

13 “(a) Contains ethanol that is derived from agricultural or woody waste
14 or residue;

15 “(b) Contains ethanol denatured as specified in 27 C.F.R. parts 20 and
16 21;

17 “(c) Complies with the volatility requirements specified in 40 C.F.R. part
18 80;

19 “(d) Complies with or is produced from a gasoline base stock that com-
20 plies with ASTM International specification D 4814;

21 “(e) Is not blended with casinghead gasoline, absorption gasoline, drip
22 gasoline or natural gasoline after the gasoline has been sold, transferred or
23 otherwise removed from a refinery or terminal; and

24 “(f) Contains ethanol that complies with ASTM International specifica-
25 tion D 4806.

26 “[*(4)*] **(3)** The department may review specifications adopted by ASTM
27 International, or equivalent organizations, and federal regulations and revise
28 the standards adopted pursuant to this section as necessary.

29 “[*(5)*] **(4)** A retail dealer, nonretail dealer or wholesale dealer may sell
30 or offer for sale gasoline that is not blended with ethanol if the gasoline has

1 an octane rating, as defined in ORS 646.945, of 91 or above or if the gasoline
2 is for use in:

3 “(a) An aircraft:

4 “(A) With a supplemental type certificate approved by the Federal Avi-
5 ation Administration that allows the aircraft to use gasoline that is intended
6 for use in motor vehicles; or

7 “(B) Issued a type certificate by an aircraft engine manufacturer that al-
8 lows the aircraft to use gasoline that is intended for use in motor vehicles;

9 “(b) An aircraft that has been issued an experimental certificate, de-
10 scribed in 14 C.F.R. 21.191, by the Federal Aviation Administration and that
11 is required by the manufacturer’s specifications to use gasoline that is in-
12 tended for use in motor vehicles;

13 “(c) A light-sport aircraft, as defined in 14 C.F.R. 1.1, that is required by
14 the manufacturer’s specifications to use gasoline that is intended for use in
15 motor vehicles;

16 “(d) A vintage aircraft, as defined by the Oregon Department of Aviation
17 by rule, that is required by the manufacturer’s specifications to use gasoline
18 that is intended for use in motor vehicles;

19 “(e) An antique vehicle, as defined in ORS 801.125;

20 “(f) A Class I all-terrain vehicle, as defined in ORS 801.190;

21 “(g) A Class III all-terrain vehicle, as defined in ORS 801.194;

22 “(h) A Class IV all-terrain vehicle, as defined in ORS 801.194 (2);

23 “(i) A racing activity vehicle, as defined in ORS 801.404;

24 “(j) A snowmobile, as defined in ORS 801.490;

25 “(k) Tools, including but not limited to lawn mowers, leaf blowers and
26 chain saws; or

27 “(L) A watercraft.

28 “**SECTION 4.** ORS 646.921 is amended to read:

29 “646.921. (1) The State Department of Agriculture shall study and monitor
30 biodiesel fuel production, use and sales and certificates of analysis in this

1 state.

2 “[(2) *When the capacity of biodiesel production facilities in Oregon reaches*
3 *a level of at least 15 million gallons on an annualized basis, the department*
4 *shall notify all retail dealers, nonretail dealers and wholesale dealers in this*
5 *state that the capacity of biodiesel production facilities in Oregon has reached*
6 *a level of at least 15 million gallons on an annualized basis and that a retail*
7 *dealer, nonretail dealer or wholesale dealer may sell or offer for sale diesel*
8 *fuel only as described in ORS 646.922 (2) after the date that is two months*
9 *after the date of the notice given by the department under this subsection.]*

10 “(2) **By June 31 of each year, the department shall:**

11 “(a) **Determine the commercial availability of biodiesel and other**
12 **renewable diesel in this state;**

13 “(b) **Adopt a standard for the quality and percentage of biodiesel**
14 **or other renewable diesel by volume that diesel fuel must contain to**
15 **be sold or offered for sale in this state during the next calendar year;**
16 **and**

17 “(c) **Notify all retail dealers, nonretail dealers and wholesale dealers**
18 **in this state:**

19 “(A) **Of the annual standard adopted under this subsection; and**

20 “(B) **That beginning on January 1 of the year following the date of**
21 **the notice, a retail dealer, nonretail dealer or wholesale dealer may**
22 **sell or offer for sale diesel fuel only as described in ORS 646.922.**

23 “(3) **The annual standard adopted under subsection (2) of this sec-**
24 **tion shall ensure compliance with the standards adopted under ORS**
25 **646.922 and shall, to the extent feasible, prioritize the use of commer-**
26 **cially available biodiesel and other renewable diesels:**

27 “(a) **With the lowest greenhouse gas emissions attributable to the**
28 **fuels throughout their lifecycles; and**

29 “(b) **At a level that maximizes the use of biodiesel and other**
30 **renewable diesels commercially available in this state for the calendar**

1 **year.**

2 “[3] (4) All retail dealers, nonretail dealers and wholesale dealers in
3 Oregon are required to provide, upon the request of the department, a cer-
4 tificate of analysis for biodiesel received.

5 **“SECTION 5.** ORS 646.922 is amended to read:

6 “646.922. (1) A retail dealer, nonretail dealer or wholesale dealer may not
7 sell or offer for sale diesel fuel unless the diesel fuel contains [*at least two*
8 *percent biodiesel by volume or other renewable diesel with at least two percent*
9 *renewable component by volume*] **the quality and percentage of biodiesel**
10 **or other renewable diesel by volume required by the Department of**
11 **Agriculture pursuant to the department’s annually adopted standard**
12 **under ORS 646.921.**

13 “[2] *Two months after the date of the notice given under ORS 646.921 (2),*
14 *a retail dealer, nonretail dealer or wholesale dealer may not sell or offer for*
15 *sale diesel fuel unless the diesel fuel contains at least five percent biodiesel*
16 *by volume or other renewable diesel with at least five percent renewable com-*
17 *ponent by volume. Diesel fuel that contains more than five percent biodiesel*
18 *by volume or other renewable diesel with more than five percent renewable*
19 *component by volume must be labeled as the State Department of Agriculture*
20 *provides by rule.*]

21 “[3] (2) A retail dealer, nonretail dealer or wholesale dealer may sell
22 or offer for sale diesel fuel that otherwise meets the requirements of [*sub-*
23 *sections (1) and (2)*] **subsection (1)** of this section and rules adopted pursuant
24 to ORS 646.957 but to which there have been added substances to prevent
25 congealing or gelling of diesel fuel containing biodiesel or other renewable
26 diesel, without violating the requirements of [*subsections (1) and (2)*] **sub-**
27 **section (1)** of this section and rules adopted pursuant to ORS 646.957. This
28 subsection applies only to diesel fuel sold or offered for sale during the pe-
29 riod from October 1 of any year to February 28 of the following year.

30 “[4] (3) The department shall adopt standards, **including labeling**

1 **standards**, for biodiesel or other renewable diesel sold in this state. The
2 department shall consult the specifications established for biodiesel or other
3 renewable diesel by ASTM International in forming the department's stan-
4 dards. The department may review specifications adopted by ASTM Interna-
5 tional, or equivalent organizations, and revise the standards adopted
6 pursuant to this subsection as necessary.

7 “[5] (4) The minimum biodiesel fuel content and renewable component
8 in other renewable diesel requirements under [subsections (1) and (2)] **sub-**
9 **section (1)** of this section do not apply to diesel fuel sold or offered for sale
10 for use by:

11 “(a) Railroad locomotives[.];

12 “(b) Marine engines;

13 “(c) **Motor vehicles that are not designed primarily to transport**
14 **persons or property, that are operated on highways only incidentally,**
15 **and that are used primarily for construction work; or**

16 “(d) Home heating or to facilities that store more than 50 gallons of
17 diesel fuel for use in emergency power generation.”.

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