

Is out-of-state oil trying to rewrite our laws in Oregon?

"We were asked to provide an outline for a program... and we did,"

Tupper Hull, vice president of strategic communications for **Western States Petroleum Association** said. **"And that's now being considered."**

-- *Salem Statesman Journal, June 23, 2015*

Oil Industry Ballot Language

(4) The commission shall determine that there is a sufficient volume of **low C.I. fuels** available in commercial quantities in order to approve the next scheduled reduction adjustment. This determination shall be based upon the following considerations.

(a) The commissions will conduct an analysis to assess the **capability** of the low C.I. fuel facilities within and without the State of Oregon to provide low C.I. fuels available in **commercial quantities**. This analysis shall consider:

(A) Design capacity in gallons per day.

(B) Date of construction and completion.

(C) Date that feedstock was first introduced to the process.

(D) Date that commercial quantities of on-specification product was first produced. Planned or advertised dates will not be considered.

(E) Highest utilization demonstrated in a consecutive three-month period (utilization is defined as production rate divided by design capacity, inclusive of downtime).

(F) Percent of product that was produced on-specification, without reprocessing or blending during the period in Section 4(a)(E) of this section.

Failed Transportation Bill

(HB2281-B7) Bill: Section 42, Page 52:

A low carbon intensity fuel may not be considered commercially available unless:

“(A) The **low carbon intensity fuel** is available in this state at an **average market retail cost that is equal to or less than the average market retail cost** of the fuel with which the low carbon intensity fuel would be blended; and...

(e) As part of the study required under this subsection, the department shall determine the capability of distribution system infrastructure, **including retail sites, to handle projected volumes and types** of low carbon intensity fuels. Any volume of low carbon intensity fuels that is in excess of distribution **system capability** may not be considered commercially available for purposes of the study.

(f) In considering whether low carbon intensity fuels are **commercially** available in sufficient **quantities** in this state, the department shall assess the capability of facilities that produce low carbon intensity fuels to supply the fuels in commercial quantities in this state. The assessment under this section shall consider, for each facility:

(A) Design capacity in gallons per day;

(B) Date of construction and completion;

(C) Date that feedstock was first introduced into the production process;

(D) Date that commercial quantities of on-specification product was first produced, not considering planned or advertised dates;

(E) Highest utilization demonstrated in a consecutive three-month period;

(F) Percent of product that was produced on-specification without reprocessing or blending during the same period considered under subparagraph (E) of this paragraph;

(G) Duration, in days, of longest continuous period of plant operation.

(H) Utilization during the last calendar year (production rate divided by design capacity, inclusive of downtime).

(I) Percent of product that was produced on-specification without reprocessing or blending during the period in Section 4(a)(E) of this section.

(J) Annual Production forecast for the next one to three years (high, medium, and low estimates) based on historic production and any technical issues to date. The commission shall include variations based on projected feedstock availability and any changes to feedstock being used in the process.

b.____ The commission shall analyze whether available low C.I. fuels are cost competitive. If the fuels are not available at average market retail costs equal to or less than the base petroleum products, the low C.I. fuels will not be considered available in commercial quantities.

c.____ The Commission shall conduct an analysis to determine the capability of the distribution system infrastructure (including retail sites) to handle the projected volumes and types of fuels. If insufficient to handle projected volumes and types of low C.I. fuels, the volume of fuels that would exceed the distribution system capacity will not be considered available in commercial quantities.

d.____ The commission shall determine whether there are sufficient commercially produced vehicles able to utilize the low C.I. fuels following the scheduled reduction adjustment. If an insufficient number of such vehicles are able to utilize the low C.I. Fuels following the scheduled reduction adjustment, the low C.I. fuels will not be considered available in commercial quantities.

(G) Duration, in days, of longest continuous plant operation;

(H) Utilization during the last calendar year;

(I) Percent of product that was produced on-specification without reprocessing or blending during the same period considered under subparagraph (H) of this paragraph; and

(J) Annual production forecast for the next one to three years, based on historical production and any technical issues as of the date of the assessment, including variations based on projected feedstock availability and changes to feedstocks.