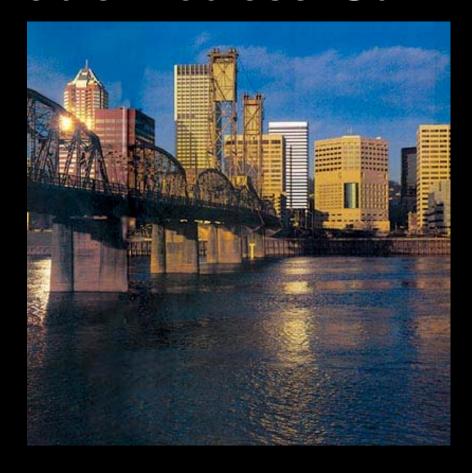
### Biofuels in Portland Sustainable Biodiesel Summit 2008





Anne Hill, Portland Bureau of Development Services

### Portland- Sustainable City Timeline

- 1979- Energy Policy: Portland's first energy policy emphasizes energy efficiency and renewable energy
- 1993- Carbon Dioxide Reduction Strategy: Portland becomes the first local government in the US to adopt a plan to address golbal climate change
- 1994- Sustainable City Principles: City Council formally establishes its intention to promote a sustainable future
- 2000- Office of Sustainable Development created
- 2001- Local Action Plan on Global Warming: Sets a goal of reducing GHG emissions to 10% below 1990 levels.
- 2004 Portland City Fleet = 20% biodiesel blend



### Renewable Fuel Standard: WHY

#### May 2005: Fuel Prices Increase

City Commissioner Randy Leonard sought to decrease dependence on volatile foreign oil and create local economic development opportunities.

Summer 2005: The City explores economic development of biofuels for Portland.

July 2006: Portland became the 1<sup>st</sup> U.S. City to adopt a local Renewable Fuel Standard (RFS).



### RFS: Requirements

- July 2007, B5 and E10
- Increase to B10 in 2010







### RFS: Phased Implementation

- May, 2007
  Vendors and distributors notified of implementation
- July 1, 2007
  All diesel fuel sold by fuel marketers to fuel vendors must be B5 or higher
- August 15, 2007
  All diesel fuel dispensed by fuel vendors in the City of Portland shall be B5 or higher
- September 16, 2007
  All gasoline sold by fuel marketers to fuel vendors must be E10
- November 1<sup>st</sup>, 2007
  All gasoline dispensed by fuel vendors in the City of Portland must be E10
- July 1<sup>st</sup> 2010
  Diesel fuel requirement increases to B10



### RFS: Local and Sustainable Fuel

- Feedstocks
  - Recycled Cooking Oil
  - Oregon Grown Seed Crops
  - Palm oil prohibited
- Regional Production Threshold
  - 2.5 million gallons on an annualized basis for 3 months
  - 50% by volume of biodiesel used to satisfy the RFS must be produced from qualifying feedstock



### RFS: Biodiesel Certification

➤ Biodiesel produced within or imported into the State of Oregon for the purpose of complying with the RFS must be accompanied by a Certificate of Analysis for that specific production lot or batch of biodiesel.





### RFS: Inspections and Testing

- > OR Department of Agriculture
  - Inter-Governmental Agreement (IGA)
     to inspect and test for RFS Compliance
    - B100 production facilities
    - Bulk Facility Operators
    - Marketers
    - Fuel Vendors



### Greening Portland's Fleet



#### **Portland's Diesel Fleet**

- 375 trucks
- 166 construction equipment
- 62 towed units (compressors)
- >120,000 gallons of biodiesel annually
- 2006 = Water Bureau 99% biodiesel blend summer (50% winter); largest B99 fleet in US
- 2007 Fleet = 50% biodiesel blend



## Greening Portland's Fleet: Fuel Contracts

Additional evaluation points were awarded to City Fleet suppliers that provide locally produced biofuels made from regional feedstock.



## Greening Portland's Fleet: Price Agreements

➤ Price Agreements:

Guaranteed and fair commodity price agreements for regionally grown feedstocks for the biodiesel used in Portland's fleet.

- Feedstock measured per pound vs. the gallon standard
- Portland pays 3 cents less than market rate per pound of feedstock
- Farmers see gains through a 5 cent per pound Oregon Energy Tax Credit



### Regional Biofuel: Priorities

- > Increasing gallons produced and sold
- > Providing consumer protection in a new industry.
- > Improving biofuels distribution infrastructure.
- Furthering development of Oregon grown feedstocks and helping farmers share in their value chain.





### Regional Biofuel: Garbage Haulers

➤ Since 2006, private contracted residential garbage and recycling trucks must use minimum 20% biodiesel blend.





### Regional Biofuel: Industry Incentives

- ➤ Biofuels Investment Fund (BIF) awarded \$570,000 in grants to:
  - Farm
  - Production
  - Distribution
  - Retail



➤ Outreach materials, including radio ads, were developed with regional stakeholders to encourage large fleet operators to switch to high blends of biodiesel.



### BIF Grant: Education and Outreach

Outreach materials developed through the City/ Stakeholder partnership include biodiesel fact sheets, available at:







### BIF Grant: Madison Farms

- Funding provided for K&S Madison Oilseed Crush facility:
  - Two 10 ton Canola Crushers
  - InfraredSpectrometer used in oil analysis
- > Outcome:

Ability to produce 250,000 gallons of canola oil annually.





### BIF Grant: Sequential Biofuels

- Funding provided for construction of an ethanol and biodiesel blend filling station in Portland
  - Provides high blend ratio fuels
  - Local vendor with fuel made in Oregon from Oregon feedstocks.





# City of

### If you are thinking of developing biofuels policies and programs, please consider:

- Will your efforts focus only on your own fleet, or also address how you might influence the biofuel use of others?
- What are the most effective mechanisms to achieve your desired results?
- What is the highest level blend you are comfortable promoting, especially for biodiesel?
- Do you have concerns about any feedstocks used to make biofuels
- What quality and testing requirements should you have in place?
- Where can you go to get more information?

### **Questions?**

Visit: <u>www.biofuelsportland.com</u>

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