

Biofuels in Portland Sustainable Biodiesel Summit 2008



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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 global 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 1st 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 1st, 2007**
All gasoline dispensed by fuel vendors in the City of Portland must be E10
- **July 1st 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

City of Portland Biofuels



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:



www.biofuels4business.com

BIF Grant: Madison Farms

- Funding provided for K&S Madison Oilseed Crush facility:
 - Two 10 - ton Canola Crushers
 - Infrared Spectrometer 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.





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 ?

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