



THE BUREAU OF
**PLANNING &
SUSTAINABILITY**

Date: November 16, 2022
To: City Council
From: Andria Jacob, Climate Policy and Program Manager
Re: Amendment request for Council Agenda Item 978

Amend Motor Vehicle Fuels Code to increase the minimum content requirements for biofuels and add a carbon intensity standard to ensure lowest carbon fuels are sold in the City of Portland (Ordinance; amend Code Chapter 16.60)

Due to an oversight, the following changes are needed in the Council Directives. Staff neglected to update dates in the Council directives after making changes to effective dates in the code. The amendment will be presented at the Council meeting on November 16.

NOW, THEREFORE, the Council directs:

1. Portland City Code Chapter 16.60 is amended as shown in Exhibit A.
2. The Bureau of Planning and Sustainability (BPS) will convene a technical advisory committee (TAC) of renewable fuel producers and suppliers (both wholesale and retail) and economists to advise the Bureau Director on implementation of Exhibit A and use of interim rule authority to manage any technical or economic issues associated with renewable fuel supply. The TAC will be established by ~~December~~ July 31, 2023. The technical advisory group should meet quarterly, or as needed, through 2030.
3. The TAC will issue a report to the BPS Bureau Director regarding renewable fuel market conditions, including an assessment of supply availability and costs by ~~December 31~~ October 15, 2025, ~~six~~ seven months in advance of the May 15, 2026 effective date for the 50% blending requirement, and by ~~December 31~~ October 15, 2029, ~~six~~ seven months in advance of the May 15, 2030 effective date for the 99% blending requirement.
4. BPS shall report to the City Council, by ~~March 31~~ February 15, 2026, and ~~March 31~~ February 15, ~~2029~~ 2030, on the status of PCC 16.60 implementation. Reports will be based on the findings of the technical advisory committee and will include fuel supply forecasts and economic analysis, and any use of interim rule authority.
5. The Director of the Bureau of Planning and Sustainability shall use rulemaking authority to accelerate the schedule for Minimum Biofuel Content Requirements in Exhibit A, should the supply of renewable diesel be readily available and the price similar to petroleum-based diesel fuel prior to May 15, 2030.



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978 Amend Motor Vehicle Fuels Code to increase the minimum content requirements for biofuels and add a carbon intensity standard to ensure lowest carbon fuels are sold in the City of Portland (amend Code Chapter 16.60)

Ordinance

The City of Portland ordains:

Section 1. The Council finds:

1. The scientific evidence is clear that human activities are the primary cause of the accelerating changes in the global climate.
2. Climate change poses a significant threat to Oregon's forestry, fisheries, water supplies, and coastal resources; impacts are likely to include winter flooding, summer droughts, loss of shoreline, forest fires, diminished fish and wildlife habitat, retreating glaciers, decreased snowpack, and increased disease vectors and invasive species.
3. The City of Portland 1990 Energy Policy (Ordinance No. 162975), 1993 Carbon Dioxide Reduction Strategy (Resolution No. 35207), 2001 Local Action Plan on Global Warming (Resolution No. 35995), 2009 Climate Action Plan (Resolution No. 36748), and 2015 Climate Action Plan (Resolution No. 37135), 2020 Climate Emergency Declaration (Resolution No. 37494) established goals to reduce carbon emissions.
4. The City has established a goal to meet 100 percent of community-wide energy needs, including transportation fuels, with renewable energy by 2050 (Resolution No. 37289).
5. The City of Portland adopted the Renewable Fuel Standard (Ordinance No. 180313) in 2006 to regulate minimum blends of biofuels in fossil fuels sold in Portland, with the intent to reduce dependence on non-renewable fossil fuels.
6. Portland City Council directed the Bureau of Planning and Sustainability to evaluate options and bring a recommendation to City Council to amend Portland City Code Chapter (PCC) 16.60 to support adopted climate and energy goals. (Ordinance No. 189820)
7. Petroleum diesel and gasoline are non-renewable fossil fuels that are primary sources of local carbon emissions.
8. It is the responsibility of government to recognize the climate impacts that result from the use of nonrenewable transportation fuels and proactively reduce citizens' reliance.
9. Biodiesel, renewable diesel, and ethanol can be readily blended with petroleum diesel and gasoline to reduce the carbon emissions that result

from the use of non-renewable fossil fuels and may also improve air quality and public health.

10. Biofuels – like biodiesel, renewable diesel, and ethanol – are viable alternatives to petroleum diesel and gasoline as fuel for motor vehicles and can be produced domestically in the United States and locally here in Oregon.
11. The Oregon Department of Environmental Quality (DEQ) implements the Clean Fuels program and requires annual reductions in lifecycle carbon emissions from Oregon’s transportation fuels, including a 10 percent reduction in average carbon intensity from 2015 levels by 2025, followed by a 20 percent reduction by 2030 and 37 percent by 2035.
12. The Clean Fuels program approves lifecycle carbon emissions of qualifying fuels, like biodiesel, renewable diesel, and ethanol for all fuels imported into Oregon.
13. The Clean Fuels program utilizes the Oregon Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies Model (OR-GREET Model), based on the GREET model developed by Argonne National Labs, to measure lifecycle carbon intensity. DEQ is committed to review and to improve carbon intensity models to better measure lifecycle carbon emissions at least every three years (Oregon Administrative Rule 340-253-0400).
14. As of March 31, 2022, the DEQ reports that its Clean Fuels program requirements have resulted in a reduction of 7.3 million tons of lifecycle greenhouse gases.
15. Bureau of Planning and Sustainability conducted more than two years of policy research and more than one year to stakeholder engagement with fossil fuel and renewable fuel industry, environmental advocates, and other impacted stakeholders to develop recommended code changes.

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- C. The TAC will issue a report to the BPS Director regarding renewable fuel market conditions, including an assessment of supply availability and costs by ~~December 31~~October 15, 2025, ~~six-seven~~ months in advance of the May 15, 2026, effective date for the 50% blending requirement, and by ~~December 31~~October 15, 2029, ~~six-seven~~ months in advance of the May 15, 2030 effective date for the 99% blending requirement.
- D. BPS shall report to the City Council, by ~~March 31~~February 15, 2026, and ~~March 31~~February 15, ~~2029~~2030, on the status of PCC 16.60 implementation. Reports will be based on the findings of the technical advisory committee and will include fuel supply forecasts and economic analysis, and any use of interim rule authority.
- E. The Director of the Bureau of Planning and Sustainability shall use rulemaking authority to accelerate the schedule for Minimum Biofuel Content Requirements in Exhibit A, should the supply of renewable diesel be readily available and the price similar to petroleum-based diesel fuel prior to May 15, 2030.