

Oregon Department of Environmental Quality

To: DEQ LCFS Advisory Committee

Date: June 4, 2010

From: David Collier, Vijay Satyal, Sue Langston.

Subject: Economic sectors to be included in LCFS economic analysis

As you know, DEQ has contracted with Jack Faucett and Associates to perform our LCFS economic impact analysis. As we prepare to meet with JFA, we would like your initial input on which business sectors to include in our economic analysis. To best focus our resources we want to identify all the sectors in which significant economic impacts could be expected from the implementation of various low carbon fuel standard compliance scenarios. DEQ and JFA will be discussing our economic assumptions and analysis process with you at an upcoming committee meeting. We plan to review the initial results of the economic analysis with you in September and October.

For this project, Jack Faucett has recommended an analysis of 70 economic sectors to capture any fundamental changes to Oregon's economy that may result from a LCFS. The following sectors would be of special interest in both Washington and Oregon:

<i>Gasoline Station Operating Costs</i>	<i>Pipeline Transportation</i>
<i>Truck Transportation</i>	<i>Retail Transportation Fuels</i>
<i>Motor Vehicle Parts Manufacturing</i>	<i>Light-Duty Vehicle Manufacturing</i>
<i>Industrial Gas Manufacturing</i>	<i>Power Generation and Supply</i>
<i>Farm(crop and animal production)</i>	<i>Agriculture & Forestry Support Activities</i>
<i>Utilities</i>	<i>Construction</i>
<i>Professional and Technical Services</i>	<i>Paper Manufacturing</i>
<i>State and Local Government</i>	

A handout (REMI sectors.pdf) available on the low carbon fuel website lists the different industry and business sectors typically used by the REMI (Regional Economic Model, Inc.) modeling tool. The model can be used at three levels of industry detail. Twenty three major economic sectors are listed in **boldface**, with 70 more detailed industry sectors listed in *italics* and highlighted. Within the group of 70 main sectors there are 169 industry sub-sectors, listed in regular text. We are asking for advisory committee input on which major sectors or special subsectors should comprise our group of 70 economic sectors to be evaluated. These 70 sectors are highlighted in the attached document.

We appreciate your time and assistance. If you have any questions, please contact Sue Langston at (503) 229-5215.