



Low Carbon Fuel Advisory Committee
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Updated: Baseline Standard

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One Baseline or Two?

Advisory Committee Questions:

1. One baseline standard, or two standards, one for gasoline and one for diesel?
2. If one combined baseline standard is used, should a diesel EER be applied for light-duty diesel fuel use?
 - How much future fuel switching from gasoline to diesel will occur?
 - Will it be enough to warrant concern about increase in air toxic pollution from diesel use?



Past Advisory Committee Discussion

Jan 27th, 2010 low carbon fuel meeting

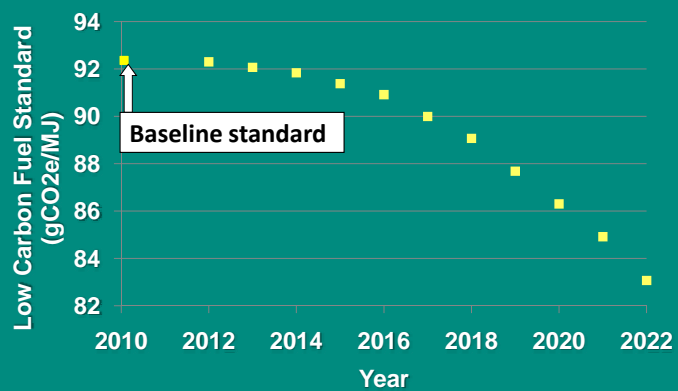
- The baseline standard(s), which reflects the carbon intensity of Oregon's 2010 fuel mix.
- The average carbon intensity that must be met in each year between 2012 and 2022.

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Question 2: Updating the carbon intensity of a fuel

Example Low Carbon Fuel Standard



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Energy Economy Ratio

Used to adjust carbon intensity when:

1. An alternative fuel substitutes for gasoline or diesel and
2. The number of miles driven per unit energy consumed is different than the baseline fuel

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Energy Economy Ratio for diesel

- A diesel EER would be appropriate for diesel fuel used as a substitute for gasoline
- DEQ is not considering applying a diesel EER to the baseline diesel fuel, since it is not a substitute for gasoline

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Options

Option 1: Single baseline, EER applied to light-duty diesel use

Option 2: Single baseline, No diesel EER

Option 3: Two baseline standards

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Considerations

Fuels innovation

Flexibility to Comply

Toxicity of Diesel PM

Implementation

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Option 1: Single baseline, EER applied to light-duty diesel use

Considerations:

- Fuels Innovation: diesel used in light-duty applications is a low carbon fuel
- Flexibility: provides additional flexibility
- Toxicity of diesel PM could be an issue?
- Implementation presents major challenges. This option is the most complex.

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Implementation challenges for Option 1: Single baseline, EER applied to light-duty diesel use

1. Tracking light-duty diesel used as a substitute for gasoline:

- a) Changes to the ratio of gasoline to diesel
- b) Increased volume of diesel sold
- c) Number of additional diesel passenger cars registered

2. Credits for fuel switching from gasoline to diesel

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Option 2: Single baseline, No diesel EER

Considerations:

- Fuels Innovation: Neutral on this issue
- Flexibility: Might provide some flexibility
- Toxicity of diesel PM not an issue
- Implementation less challenging than Option 1

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Option 3: Two baseline standards Single baseline, No diesel EER

Considerations:

- Fuels Innovation: promotes fuel innovation on both gasoline and diesel sides
- Flexibility: could be less flexible than Option 1
- Toxicity of diesel PM not an issue
- Implementation less complex than Option 1.

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Preliminary Proposal for Discussion:
Option #3: Two baselines, one for gasoline, and one for diesel

- Promotes development of lower carbon intensity fuels for both gasoline and diesel
- There are concerns that increased use of diesel will cause more toxic air pollution
- Applying a diesel EER to light-duty fuel involves unknowns and no practical tracking method
- Granting conventional diesel fuel status as a “low carbon fuel” is potentially controversial

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Option 1: Single baseline, EER applied to light-duty diesel use

Option 2: Single baseline, No diesel EER

Option 3: Two baseline standards

Considerations

Fuels Innovation: promoted by Options 2 and 3

Flexibility: Option 1 provides more flexibility

Toxicity of diesel PM: not an issue in Options 2 and 3

Implementation: Options 2 and 3 are less complex to implement. Option 1 might not be implementable.

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