

ORDINANCE No.

Mandate minimum blends of biodiesel and ethanol in petroleum-based fuels sold in Portland and require city-owned vehicles to maximize use of renewable fuels (Ordinance; add Code Chapter 16.60)

The City of Portland ordains:

SECTION 1. The Council finds:

1. Oil is a non-renewable fossil fuel that cannot fulfill the long-term energy needs of the world.
2. The United States is dependent on oil as a source of fuel.
3. The United States' dependency on oil serves to its disadvantage politically, environmentally, and economically.
4. It is the responsibility of government to recognize the shrinking supply of oil and proactively reduce citizens reliance on oil.
5. Biodiesel and ethanol are viable alternatives to diesel and gasoline as fuel for motor vehicles.
6. Biodiesel and ethanol can be produced from feedstock grown by farmers in Oregon which will improve the State and local economy.
7. Biodiesel and ethanol can be readily blended with petroleum diesel and gasoline.
8. At a 5% blend in diesel fuel, known as B5, biodiesel is considered an additive and is approved by engine manufacturers.
9. All diesel vehicles can run on B5 without modification.
10. A 5% blend of biodiesel in petroleum diesel improves the lubricity of the fuel, reducing engine wear and improving performance.
11. Ethanol is currently present in gasoline in Portland at a level of 10%, known as E10.
12. All gasoline vehicles can run on E10 without modification.
13. Mandating 5% biodiesel and 10% ethanol will create a dependable demand for each that will catalyze the creation of a dependable supply.
14. A dependable supply will increase the availability of higher blends of biodiesel and ethanol.
15. The addition of 5% biodiesel in all diesel fuel and 10% ethanol in all gasoline will reduce Portland's petroleum fuel consumption by millions of gallons annually.

16. The City should maximize its use of alternative fuels in city-owned vehicles.
17. Other cities around the State and the Country should take similar steps to reduce America's reliance on oil.

NOW, THEREFORE, the Council directs:

- a. Portland City Code Chapter 16.60 is amended as shown in Exhibit A.
- b. The Office of Sustainable Development shall notify all known fuel distributors and vendors of the requirements of Portland City Code Chapter 16.60 on or before November 1, 2006.
- c. The Office of Sustainable Development and the Bureau of Development Services shall report to the City Council annually with recommendations for code amendments or revisions to advance the City's transition to renewable fuels.
- d. City owned vehicles that operate on diesel shall use fuel with a biodiesel content of not less than 20% to maximize the City's use of renewable fuels. This is binding City policy and should be included in the Portland Policy Documents.
- e. City-owned vehicles that operate on gasoline shall use fuel with an ethanol content of 10%. City-owned gasoline powered vehicles with the capability to operate on 85% ethanol shall be required to do so to maximize the City's use of renewable fuels. This is binding City policy and should be included in the Portland Policy Documents.
- f. The Commissioner of Public Safety shall convene a work group including but not limited to representatives from the Office of Sustainable Development and biodiesel feedstock growers, distributors, customers and vendors. The work group shall develop recommendations to align the requirements of this ordinance with the region's ability to meet the mandated biofuel demand while maximizing the use of regional feedstock. The work group shall produce recommendations to the Commissioner of Public Safety within 90 days of passage of this ordinance, and the Commissioner of Public Safety shall present a report to Council on the findings within 120 days of passage of this ordinance. [7/5/05 Sten amendment]

Passed by the Council:
Commissioner Randy Leonard
T. Kovatch
June 21, 2006

Gary Blackmer
Auditor of the City of Portland
By:

Deputy

Exhibit A

Title 16 Vehicles and Traffic
Chapter 16.60 Motor Vehicle Fuels

16.60.010 Definitions.

As used in this Chapter, the following terms shall be defined as provided in this section:

- A. "B5 Fuel" means a fuel mixture consisting of 5% Biodiesel and 95% Diesel Fuel.
- B. "B10 Fuel" means a fuel mixture consisting of 10% Biodiesel and 90% Diesel Fuel.
- C. "B20 Fuel" means a fuel mixture consisting of 20% Biodiesel and 80% Diesel Fuel.
- D. "Biodiesel blend stock" means 100% biodiesel fuel utilized for the purpose of blending with diesel fuel.
- E. "Biodiesel fuel" means the monoalkyl esters of long chain fatty acids derived from plant or animal matter that meet the registration requirements for fuels and fuel additives established by the federal Environmental Protection Agency and standards established by the American Society of Testing and Materials (ASTM).
- F. "Biofuel" means any fuel that is derived from plant or animal matter that meets the registration requirements for fuels and fuel additives established by the federal Environmental Protection Agency and standards established by the American Society of Testing and Materials (ASTM). For the purposes of this Chapter, Biofuel shall include Biodiesel and Ethanol.
- G. "Diesel" means petroleum based liquid that is suitable for use as a fuel in diesel powered vehicles.
- H. "E10" means a fuel mixture of 10% ethanol and 90% gasoline.
- I. "E85" means a fuel mixture of 85% ethanol and 15% gasoline.
- J. "Ethanol" means ethyl alcohol, a flammable liquid used or sold for the purpose of blending or mixing with gasoline.
- K. "Feedstock" means the plant or animal matter from which a biofuel is derived.
- L. "Fuel" means all gasoline or diesel sold within the City of Portland for the purpose of operating motor vehicles on public roadways.
- M. "Fuel distributor" means any entity that conducts wholesale fuel sales or otherwise provides fuel within the City of Portland.

- N. "Fuel vendor" means any entity that conducts retail sales of or otherwise provides fuel within the City of Portland.
- O. "Gasoline" means any fuel sold for use in spark ignition engines.
- P. "Motor Vehicle" means every inanimate vehicle which is self-propelled. For the purposes of this Chapter, the definition of motor vehicle shall not include aircraft, watercraft, or locomotives.

16.60.020 Biofuel Requirements

A. 1. On and after July 1, 2007, all diesel fuel sold by fuel distributors to fuel vendors shall contain a minimum blend of 5% Biodiesel (B5 fuel). The biodiesel blend stock shall meet the 2006 Edition of ASTM D 6751, Standard Specification for Biodiesel (B100) Blend Stock for Distillate Fuels.

2. On and after July 1, 2007, all diesel fuel sold by fuel vendors shall contain a minimum blend of 5% Biodiesel (B5 fuel). The biodiesel blend stock shall meet the 2006 Edition of ASTM D 6751, Standard Specification for Biodiesel (B100) Blend Stock for Distillate Fuels.

B. 1. On and after July 1, 2010, all diesel fuel sold by fuel distributors to fuel vendors shall contain a minimum blend of 10% Biodiesel (B10 fuel). The biodiesel blend stock shall meet the 2006 Edition of the ASTM D 6751, Standard Specification for Biodiesel (B100) Blend Stock for Distillate Fuels, and applicable regulatory standards in place on and after July 1, 2010.

2. On and after July 1, 2010, all diesel fuel sold by fuel vendors shall contain a minimum blend of 10% Biodiesel (B10 fuel). The biodiesel blend stock shall meet the 2006 Edition of the ASTM D 6751, Standard Specification for Biodiesel (B100) Blend Stock for Distillate Fuels, and applicable regulatory standards in place on and after July 1, 2010.

C. 1. On and after July 1, 2007, all gasoline sold by fuel distributors to fuel vendors shall contain a minimum blend of 10% ethanol (E10 fuel). This requirement shall remain in effect on a year round basis.

2. On and after July 1, 2007, all gasoline sold by fuel vendors shall contain a minimum blend of 10% ethanol (E10 fuel). This requirement shall remain in effect on a year round basis.

D. Fuel vendors shall be required to conspicuously place signage denoting the type of biofuel mixture available for sale by the fuel vendor in accordance with the labeling guidelines or rules established by the Oregon Department of Agriculture. B5 fuel shall be labeled "B5 Biodiesel Blend."

16.60.030 Exemptions

A. Any vendor who offers a biodiesel blend of 20% (B20 fuel) or greater shall be exempt from the requirements of Section 16.60.020 (A) and (B), and may also provide for sale, on the same site or a contiguous site, diesel fuel which does not contain biodiesel. The B20 biodiesel blend stock shall meet the 2006 Edition of the ASTM D 6751, Standard Specification for Biodiesel (B100) Blend Stock for Distillate Fuels, and applicable regulatory standards in place on and after July 1, 2007.

B. The Director of the Bureau of Development Services may temporarily suspend or modify the minimum biofuel content requirements of this Chapter based on a determination that such requirements are temporarily infeasible due to economic or technical circumstances. The Director's determination shall be made by filing a report with the City Council.

C. The requirements of this Chapter do not apply to fuel used for the operation of railroad locomotives, watercraft or aircraft.

D. Nothing in this Chapter is intended to prohibit the production, sale, or use of motor fuel for use in federally designated flexibly fueled vehicles capable of using up to eighty-five percent ethanol fuel blends.

16.60.040 Enforcement and Notice of Violation.

A. The Director of the Bureau of Development Services, or designee, upon determining that a violation of this code or regulations duly adopted pursuant to this Chapter has occurred, shall issue a written notice of the violation by certified mail to the fuel vendor or fuel distributor identifying the violation and applicable penalty.

B. The fuel vendor or fuel distributor shall, upon receipt of a notice of violation, correct the violation and pay to the City the stated penalty or appeal the finding of a violation to the Code Hearings Officer within 10 days of receipt of the notice.

C. A determination issued pursuant to Section 16.60.040.A may be appealed to the Code Hearings Officer, as provided for in Chapter 22.10 of City Code.

16.60.050 Penalties.

Violations of this Chapter may be punishable by fines as follows:

A. A fine of up to \$5,000 for the first violation;

B. A fine of up to \$10,000 for each subsequent violation.

16.60.060 Disclosure.

For all sales of biodiesel blended products by fuel distributors inside the City of Portland, the distributor must provide a bill of lading or shipping manifest disclosing biodiesel content, stating volume percentage, gallons of biodiesel per gallons diesel base stock, or an ASTM “Bxx” designation where “xx” denotes the volume percent biodiesel included in the blended product.

16.60.070 Additional Regulations.

A. The Bureau of Development Services is authorized to promulgate administrative rules and take other actions reasonable and necessary to enforce this code.