



## OREGON HOUSE REPUBLICAN OFFICE

### For Immediate Release

Wednesday, July 5, 2017

## **Clean Fuels Consumer Protection Act expected to receive approval as part of transportation package**

*Legislation provides safeguards against dramatic price increases, fuel shortages*

**Salem, Ore.** - House Republican Assistant Leader Representative Cliff Bentz (R-Ontario) today expressed strong support for sections of the transportation package bill that include provisions of the Clean Fuels Consumer Protection Act. Originally introduced as HB 3386, the Clean Fuels Consumer Protection Act provides safeguards against fuel price volatility, market shortages and long term increases in the price of gasoline and diesel associated with the low-carbon fuel standard. The language included in HB 2017 also requires key transparency features designed to inform Oregonians of the cost and effectiveness of the LCFS program. Inclusion of the consumer protection provisions in the transportation package was a top priority for Republican lawmakers.

“The low-carbon fuel standard as outlined in current law is unworkable and leaves Oregonians exposed to dramatic swings in the price of fuel,” said Rep. Bentz, who served as co-vice chair of the Joint Transportation Committee. “The LCFS-related provisions included in the transportation package seek to protect consumers from volatility in the fuel market by establishing a framework for stabilizing the price of gasoline and diesel as the program is implemented. The bill contains language that will insulate consumers from price spikes and fuel shortages, and grants flexibility to program administrators in dealing with emergency situations.”

Under the language developed by Representative Bentz, HB 2017 addresses a number of problems with the low-carbon fuel standard and establishes a regulatory structure designed to protect consumers. The bill would:

- Allow flexibility within the clean fuels program’s credit market, as fuel producers work to comply with the requirements of the program.
- Establish a “credit clearance market” and provides a cap on the price of credits at \$200.
  - Protects consumers against price spiking in the short-term and run-away costs in the long term
  - Awards greater flexibility to fuel providers in navigating credit market by allowing credit holders to exchange discounted credits when deficits arise.
- Require the Office of Economic Analysis, in coordination with the Department of Environmental Quality, to develop fuel supply forecasts to project the availability of low-carbon fuels.
  - If availability of low-carbon fuels drops to such a degree that consumers will be severely negatively impacted, the program will be temporarily suspended.
- Require the DEQ to order an emergency suspension of the program when known fuel shortages exist or when dramatic price increases are forecasted.

- Instruct DEQ to determine average cost impact per gallon of the LFCS program on the price of fuel; provide gas station owners with information to allow them to post information on pumps or receipts.

The Clean Fuels Consumer Protection Act seeks to address long-held concerns from Republicans about the impact of the low-carbon fuel standard on the price of fuel. The Oregon Department of Environmental Quality has estimated that the program will cost Oregonians as much as 22¢ when fully implemented. These increased costs, which will hit low-income Oregonians the hardest, will go into the pockets of green-energy investors rather than being reinvested in infrastructure improvements around the state. If approved, the LCFS-related provisions of HB 2017 would mitigate these costs and preserve Oregonians' ability to afford investments in freight and transportation.

“The language we have developed will go a long way toward protecting Oregonians against abnormal market behavior and provide consumers with information about the cost and effectiveness of the program,” concluded Rep. Bentz. “I want to thank Governor Brown’s Chief of Staff Nik Blosser, the policy professionals at DEQ, and the many other stakeholders who helped contribute to this effort.”

The Clean Fuels Consumer Protection Act is included in Sections 158-174 of HB 2017. To view a section by section breakdown of the transportation bill, click [here](#). An executive summary is also available [here](#). HB 2017 passed the House today and is expected to pass the Senate before the end of the 2017 session.

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