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June 24, 2015

Dear Chair Edwards and members of the Special Committee on Sustainable Transportation,

Recent news reports suggest the legislature may be considering repealing the Clean Fuels Program (CFP) in favor of a lesser initiative. Since the CFP was only signed into law on March 12th, I find it hard to believe these reports but nevertheless wanted to share our views on such a potential development.

As you may know, one biodiesel production company within the state, SeQuential Pacific Biodiesel, has already announced a significant expansion based on passage of the Clean Fuels Program and the market growth it would bring. Of course, this expansion would result in new family-supporting, green jobs as well as additional GDP and tax revenue for the state. This is precisely the type of economic development for which policymakers hope when designing clean fuels initiatives, and we are highly encouraged that this activity is happening so quickly.

Such progress, however, is predicated upon a high level of government stability—both real and perceived. Entrepreneurs and lenders are keenly aware of the fact that a government which giveth a market may also taketh away said market. To put it mildly, amending substantially a law that has not been in existence long enough to be printed in the government register does not send a message of hope and optimism to this community.

Particularly troubling to us is the possibility that the statewide five percent (B5) biodiesel standard could be terminated during the winter months east of the Cascades. As you may know, our organization has presented third-party scientific studies demonstrating that B5 biodiesel works just as well as petroleum diesel in cold weather climates. We hope this information will be taken fully into account as part of any final resolution to this matter.

Again, I am reluctant to believe such measures as have been reported are actually being contemplated, but nevertheless appreciate the opportunity to share our views with you. If I may be of any assistance, please feel free to contact me at any time.

Sincerely,

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Shelby Neal Director of State Governmental Affairs