

Letter in Support of HB 3062 – Extends Oregon Road Tax Exemption on ultra low carbon biodiesel blends of 20% or more.

To Whom It May Concern;

We the undersigned are coming to you to ask for support of House Bill 3062 which would extend current law exempting the Oregon road tax on diesel fuel containing at least a 20% blend of used cooking oil derived biodiesel. This exemption is only allowed at retail fuel stations and for qualifying vehicles 26,000 GVW and under. This law was enacted in 2014, took effect Jan. 1 2015, and is set to expire Jan. 1, 2020.

During the period of this law's effectiveness it had these positive impacts for Oregonians:

- **Reduced carbon emissions;** this program dramatically increased Oregon's retail availability of locally-made, ultra low carbon biodiesel, which is 85% less carbon intensive than petroleum diesel. As a result, Oregon now has the largest concentration of retailers offering high blends of biodiesel, with more than 85 locations across the state offering biodiesel as an alternative to conventional diesel fuel.
- **Reduced tailpipe emissions;** used cooking oil B20 (20% biodiesel, 80% petroleum diesel) reduces hazardous tailpipe emissions by up to 50% compared to petroleum diesel.
- **Continued petroleum displacement;** the program has displaced more than 20 million gallons of petroleum diesel use across the state.
- **Keeping fuel dollars in the local economy;** the program successfully stimulates the Oregon economy by keeping pump savings in consumer pockets and low carbon diesel fuel investments in the region. Oregon imports all of its petroleum fuels and this program reduces the outflow of capital in a positive way.
- **Less expensive diesel fuel;** the tax exemption granted through this program gives retailers the flexibility to keep biodiesel competitively priced. Users of fuel that qualifies for the exemption include passenger vehicle drivers, rural/farming communities and small business fleets such as local delivery trucks.
- **Greater consumer choice;** increasing the number of stations offering alternatives to conventional diesel creates a more competitive fuel retail environment.

Recently two Amendments have been attached to the HB 3062:

- 1) Qualifying biodiesel for blending to B20 (20% biodiesel with 80% petroleum diesel) no longer must come from only used cooking oil biodiesel, but rather has to have a Carbon Intensity or CI of 20 or below as determined under OR's Clean Fuel Program.
- 2) The amount of the exemption will reduce by 10% each of the four years of the extension starting January 1, 2020.

This coalition of Oregon businesses and organizations ask you to support HB 3062 and to extend the program for the benefit of Oregon's carbon emission reduction goals. We stand ready to provide further testimony and discussion in support of this position. Please feel free to reach out to us with your concerns and thoughts.

Best regards,

