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Testimony in Support of HB 3062 – Extends Oregon Road Tax Exemption for biodiesel blends of 20% or more

Testimony of Lila Leathers, President, Leathers Enterprises, Inc.

House Revenue Committee, April 30, 2019

*Chau Nathanson Co. Fending & March 2019 of E*

Good morning; my name is Lila Leathers of Leathers Enterprises. We own and operate 25 retail gasoline stations in the state of Oregon, for the past 60 years.

After passage of the original bill providing State tax exemption for Used Cooking Oil B20, our company was perhaps the first to test the market statewide. That was right at 5 years ago, as we converted our first station in late February of 2014.

The notion of educating and convincing the diesel-motoring public about B20 biodiesel was a scary prospect. We quickly learned that most of our customer base was not aware that they were already using B5, and we repeatedly heard, "I won't use that biodiesel stuff in my engine". However, the state tax exemption was the reason that we believed the program could work.

We handed out brochures to every customer to educate them on the product (like this one). We reduced our pump price to reflect the tax exemption, so that our street price was 25 to 30 cents below traditional B5 diesel prices. We believed that was the legislatures' original intent, that the consumer would experience the incentive and savings of the tax exemption.

We continued the policies of education and reduced price throughout the last 5+ years. There is a large contingent of the consuming public that is better educated, and they in turn will educate other potential users.

To discontinue this program will "undo" a lot of the gains that have been made in establishing and educating consumers on an important low-carbon fuel alternative. The State of Oregon is about to spend a lot of money, and/or tax businesses to do likewise, to target low carbon energy alternatives. Why undo a successful example of such a program that is already proven to work?

Thank you for hearing this issue today.

# Local. Cleaner. Better.

## B20 Biodiesel: An easy move to superior quality, cleaner fuel

SeSequential Pacific Biodiesel's B20 is a high-quality, affordable option made of a blend of 20% locally and sustainably produced biodiesel and 80% petroleum diesel that yields tremendous benefits, including:

- **High Performance:** with a higher Cetane rating than petroleum diesel, B20 makes it easier to start and turn over your engine. B20 also offers superior lubricity while providing similar fuel consumption, horse power and torque.
- **Compatibility:** SeSequential Pacific's B20 meets all ASTM specifications for diesel fuel and is BQ9000 Certified for additional quality assurance. B20 can be safely run in all diesel engines with no modifications or conversions required. B20 blends are approved for use in all climates by the Federal government and the National Biodiesel Board.
- **Cleaner Burning:** Biodiesel emits significantly less CO<sub>2</sub> and eliminates other emissions linked to cancer.
- **Competitive Price:** SeSequential Pacific's B20 offers all of these features at a price similar to that of petroleum diesel. B20 is also a preferred product under the Oregon Fuels Tax Group.



## Oregon Made. Oregon Approved.

The Oregon Legislature recently passed House Bill 2435, which provides a tax exemption for fuels blended with a minimum 20 percent biodiesel derived from used cooking oil. This bill applies to fuel sold in retail operations and to vehicles weighing 26,000 pounds or less. The Oregon Fuels Tax Group requires retailers to record the license plates of customers purchasing qualifying biodiesel in order to receive this support. We respect our customers' privacy above all else and will never distribute, sell or utilize license plate information for purposes other than submission to the Oregon Fuels Tax Group.



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## Diesel Engines Love Biodiesel

All diesel vehicles, old or new, can upgrade to B20 biodiesel blends by simply purchasing B20 instead of another diesel fuel. B20 is supported by the vast majority of diesel engine manufacturers. The following vehicle manufacturers recommend and promote the use of B20 blends in their diesel models:

- Ford
- Chevrolet
- Chrysler
- Jeep
- Dodge
- GM
- Isuzu

To determine whether your specific vehicle model supports B20, visit [www.biodiesel.org/using-biodiesel/oem-information/](http://www.biodiesel.org/using-biodiesel/oem-information/) or contact your manufacturer.

For more information on biodiesel, visit [www.sqpbiodiesel.com](http://www.sqpbiodiesel.com) or call **503.585.1673**.



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# B20 Biodiesel Winter Performance Information



- Leathers Fuels is pleased to provide B20 biodiesel throughout the winter driving season. As the weather turns colder, proper winter preparation presents challenges to us as your fuel provider, and to you as the operator of a diesel engine.
- In Western Oregon, we treat our B20 biodiesel with a winterization additive from Innospec Fuel Specialties (the product is called “9000HE”, in case you want to do some internet research). The treatment season began October 1<sup>st</sup> and will continue thru March. The B20 biodiesel at this station is treated at the rate of one part additive to 3,000 parts biodiesel.
- Innospec 9000HE is a winter diesel fuel additive and cold-flow improver that lessens fuel gelling in low temperatures and improves cold-weather operability. The treatment is typically effective to 0° F (zero degrees Fahrenheit).
- **Remember to be vigilant regarding the forecast temperatures and what environment your vehicle is in, particularly when parked. When temperatures get lower than about 0° F, it is important for you to take additional precautions to protect your diesel fuel from gelling (see tips on reverse side).**