



April 30, 2019

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3333 NW 35th Ave,
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RE: Support for HB 3062 –

Good morning Chair Nathanson, Co-Chairs Findley and Marsh and Members of the Committee,

For the record my name is Ian Hill, co-founder of SeQuential. I want to state our support of House Bill 3062. I would also like to thank the Committee and its members for this opportunity to testify. In particular, I would also like to thank Representative Wilde and Representative Holvey for their work and support of this policy.

SeQuential is the longest running commercial biodiesel producer on the West Coast. We started in 2002 as a fuel marketing company working with biodiesel producers and fuel distributors to bring cleaner, lower carbon fuel to the Pacific Northwest. In 2006, we started operating our first biodiesel plant in Salem, Oregon. Since then we have produced more than 50 million gallons of some of the lowest carbon liquid fuel available in the world today.

SeQuential is a vertically integrated Biodiesel company, meaning that we collect the raw material that we need to make our primary product and sell our finished product directly to end users. In our case the primary raw material or feedstock that we use is used cooking oil from the restaurant and food industry. The feedstock or oil collection section of the business operates in 5 states up and down the west coast. We currently serve over 20 thousand food establishments including approximately 30% of the restaurants in OR. The material that we collect is not only used for making low carbon biodiesel. Some of the material that is not suitable for efficiently making biodiesel is excellent feedstock for anaerobic digesters or making renewable natural gas. We currently supply this high energy waste material to most of the digesters in OR

It is critical to note that HB 3062 is not a tax credit or tax exemption to SeQuential or the biodiesel industry but rather an incentive for consumers of retail diesel fuel to switch to a cleaner burning, renewable fuel that is made here in Oregon and the Pacific Northwest.

This policy over the years that it has been in place has created a significant return to Oregonians in the form of these primary benefits:

- **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.



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- **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.

In a period in which (for good reason) we are contemplating policies that could make fuel more expensive for consumers perhaps we could continue this incentive program which provides significant emissions reductions, a real fuel choice and a savings for Oregon consumers.

Thank you for the opportunity to testify in support of House Bill 3062.
Sincerely,

Ian Hill
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