

Submitter: Megan Cozart
On Behalf Of:
Committee: Joint Committee On Transportation
Measure: HB4141

Oregon's economic infrastructure relies on diesel fuel to produce and move products that Oregonians rely on, and the use of and having diesel readily available also creates countless jobs. This is another ill-advised mandate that would ban a vast majority of diesel and put businesses and Oregon's economic future at risk. Like other proposed mandates, this will increase the cost of goods that are produced and often times the producers under contract will not receive higher compensation for their products.

We are one of those farmer producers, locked into a set contract. Our profit or loss ebbs and flows with the market fluctuations of fuel, and other supplies, but our income remains the same.

Renewable Diesel faces significant cost competitiveness and supply challenges that have not been addressed by the bill. There continues to be a disconnect between the available supply and Oregon's demand. Today, not everyone can purchase Renewable Diesel due to the supply and storage constraints.

Furthermore, Oregon already provides incentives and regulations to drive more renewable transportation energy sources into Oregon.

- In 2015, the Oregon Legislature passed the Clean Fuels Program that, through a regulatory framework, incentivizes the sale of renewable diesel.
- Pursuant to the Governor's Executive Order 20-04, the Department of Environmental Quality is already considering a rule that would more than double the clean fuels standard and make fuels like Renewable Diesel even more valuable.
- Additionally, the Environmental Quality Commission adopted the Climate Protection Program that creates a preference for fuels like Renewable Diesel .

Based on existing data, there is almost no way to know whether those realities will change. For purposes of a reference point, in 2019, Oregonians used over 719 million gallons of diesel. By comparison, less than 17 million gallons of Renewable Diesel and 60 million gallons of biodiesel were brought into the state. Meaning, Renewable Diesel amounted to less than 3% of the fuel used in diesel engines. We simply do not have the Renewable Diesel supply and infrastructure for a fuel transition of this size and magnitude.

Before Oregon takes this risky step in removing critical fuels from the market, we must better understand Oregon's opportunity for new and emerging fuels and technologies that can ensure Oregon remains economically competitive, and can support the industries that provide for all Oregonians.

Respectfully Submitted,
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