

March 2, 2022

Chair Janeen Sollman  
Vice-Chair Lynn Findley  
Members of the Senate Committee on Energy and Environment

**Re: SB 803 ignores shortage of renewable diesel and potential supply chain challenges**

Chair Sollman:

My name is Robert Phipps and I operate Robert Phipps Truck Consulting, an industry advisory service focusing on fleet vehicle equipment and emission compliance.

I urge you to oppose SB 803, which would prematurely ban nearly all diesel fuels in Oregon.

While I recognize that this bill seeks to force a shift to renewable diesel, an exciting emerging alternative “drop in” fuel for Oregon trucking companies, the narrow nature of the mandate included in the bill, as well as the significant supply issues for renewable diesel, ignore the realities of implementing such a mandate.

SB 803 would ban the sale of petroleum diesel on a regional basis beginning in 2026 and encompassing the entire state by 2030 in an attempt to force the fuel industry to switch to renewable diesel as the fuel choice for all on-road diesel applications. While many Oregon carriers have been actively looking for supplies of renewable diesel, given it doesn’t require expensive investment in new equipment and its use is only limited in extremely cold weather conditions, current supply does not meet that demand.

Renewable diesel supply shortages simply will not be improved in the three short years when this bill would go into effect. There is not currently enough renewable diesel available to meet Oregon’s fuel demands and this bill will not send a “market signal,” so supply will somehow become available. Production of renewable diesel is limited, and to date Oregon DEQ has denied permitting a facility in our state.

Since a supply of renewable diesel will require a dependable west coast production and supply infrastructure, advocates of SB 803 will find it prudent to investigate experiences of neighboring states. While refinery conversion to renewable is feasible, experience to date shows a measurable decrease in output from those conversions. Adding new capacity takes years, even following a successful permitting process. Existing capacity is likely to become tighter as other forces leverage the market (example: California’s requirement that all off-road diesel equipment use renewable diesel beginning 2024).

Further, Oregon already provides incentives and regulations to drive a transition to more renewable transportation fuels. This effort has been accelerated by the Governor’s Executive

Order 20-02 and recent changes to the Clean Fuels Standard. SB 803 would create a duplicative program that would only add to the cost of product for Oregon consumers.

If SB 803 were to pass, fuel shortages would have a significant impact on Oregon's trucking industry and supply chains for all Oregon consumers. I ask you and your committee to oppose this short-sighted, dangerous proposal and vote no on SB 803.

Sincerely,

Robert Phipps  
RP Truck Consulting