

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 Heather Taksdal and I own Zwald Transport, Inc. We transport milk for Tillamook dairy farmers to the Tillamook County Creamery Association. We also transport Tillamook cheese regionally, lumber from local mills including Hampton Lumber and Stimson Lumber. We work closely with farmers transport manure and feed commodities.

I urge you to oppose SB 803, which would 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.

We don’t see a stable supply in alternative fuels outside of Oregon where many of our trucks run. In our research the distance a truck can is far inferior to the distance a diesel truck can go. If a truck is having to charge or refuel more often, this causes hours of service issues for the truck driver that is subject to Federal Motor Carrier Safety Administration regulations. Another problem is horsepower. Trucks weight between 80,000 – 105,000 lbs and are often pulling steep grades. Alternative fuels do not have the power to push this drive train; which then actually burns more fuel than a diesel truck would.

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,

Heather Zwald Taksdal
President
Zwald Transport, Inc.

Nichlaus Zwald
Vice President
Zwald Transport, Inc.