

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

Greetings Chair Sollman:

My name is Jeff Lorenzini, I am a native Oregonian. For 17 years, I have served as the Service Center Manager for Old Dominion Freight Line. I have worked in the LTL industry for nearly 33 years. My company is the 2nd largest LTL trucking firm in the United States. We currently operate 4 Service Centers within the State of Oregon and are currently seeking property to open a fifth facility. My company is solidly committed to honorably and ethically operating within and servicing the needs of customers throughout this great state.

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

This bill obviously intends to force a shift to the exclusive use of renewable diesel, however this is simply an impossibility at this point in time. There is nowhere near a significant enough supply of this fuel to achieve this and almost no manufacturing infrastructure exists to ramp up renewable diesel production for the demand this will generate.

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. The result of implementing such a short term and abrupt change as this bill proposes to do will have a catastrophic side effect on the already high cost of fuel. Aside from some independent truckload carriers, every carrier must and will add the cost of additional fuel to their shipping rates. EVERYTHING which is consumed in this state moves on a truck at some point in time. The cost of every commodity will go up, following the cost of this new mandated fuel. Also, this fuel is not sustainable for use during extremely cold weather conditions. Supply shortages will most certainly become an issue which will further strain the supply of goods and services and re-ignite a new regional supply chain issue. Lastly, the energy content of renewable diesel is lower than that of fossil fuels and this will erode truck fuel economy which will exacerbate the supply issue further as well as put more emissions into the air to drive the same distances.

As a native Oregonian, I fear for the well-being of my friends and family, as well as others who are already so challenged financially. The cost of all goods coupled with additional fuel costs and the vehicle maintenance issues which will also result troubles me. My facility in Portland already utilizes bio-diesel by city mandate. When we first began utilizing this new fuel after previously using only fossil diesel fuel, we experienced an epidemic of mechanical issues. Renewable diesel has an inherent ability to literally clean out deposits from the inside of fuel

tanks and fuel lines. The effect of this caused catastrophic failures of fuel filters and injectors which stranded multiple vehicles and cost tens of thousands of dollars to perform repairs.

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.

I would end my letter with some hope for us all. Within the last couple of years, the Daimler and Volvo truck manufacturers embarked on a partnership to aggressively attack the challenges of developing affordable and safe hydrogen-based vehicles and fueling infrastructure. In the country of Germany, they are rapidly developing the fueling infrastructure needed to make normal, zero-emission hydrogen truck operations a reality. Since the last time of my research, at least 13 U.S. states formed an alliance to also begin development of hydrogen fueling infrastructure. The Federal Government is helping to provide funding. I share all of this to encourage you to just wait. Hydrogen technology is coming very fast and it will be an attractive new allure to the trucking industry with power and operating ranges similar to diesel powered vehicles. BMW's automotive division is also rapidly working toward producing hydrogen powered cars which will capitalize on the truck fueling site infrastructure. We don't need to cripple our economy and impose additional inflation on our citizens. I urge you to not pass SB 803 and allow capitalism to work quickly to help achieve your goals of clean and renewable propulsion in our state.

Sincerely,

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