



March 2, 2023

TO: Chair Sollman and Members of the Senate Committee on Energy and Environment

FROM: Jana Jarvis

RE: SB 803

Chair Sollman and Members of the Committee, I am Jana Jarvis, President & CEO of the Oregon Trucking Association here today in opposition to SB 803.

The trucking industry depends on diesel fuel, and Oregon's economy depends on the trucking industry. Over 88% of Oregon's manufactured goods move by truck, and over 75% of all goods in this state move by truck. Renewable diesel presents an exciting, emerging "drop in" fuel that doesn't require expensive conversion kits for existing equipment. We recognize that with limited exception in very cold weather, this product performs identically to conventional diesel and can be mixed in the fuel tanks on our trucks with no issues when the need arises.

Our industry is excited for the opportunity to transition to this fuel, but product supply has been the limiting factor and where this limited supply exists, the product has been very expensive compared to conventional diesel. Oregon already has programs in place to drive the transition to renewable fuels and SB 803 would only add program cost that would translate to increasing the cost of goods for Oregon consumers.

SB 803 would transition the state regionally by banning conventional diesel beginning in 2026 and encompassing the entire state by 2030. While the bill purports to create a safety valve which would allow the sale of conventional diesel when supplies of renewable are low or the product becomes more expensive, this safety valve would likely not move quickly enough to avoid a fuel shortage crisis. And fuel shortages would translate into empty grocery shelves in as little as three to five days.

Fuel supplies are not changed as quickly as this bill assumes. Today there is not enough renewable diesel to meet current consumer demand of over 700 million gallons annually. While there is interest in building a production facility in Oregon, there is no guarantee that this facility or other new product sources will send product to Oregon. Fuel shortages will have a major impact on supply chains, and we have recent experience with supply chain issues.

Additionally, this bill could create a competitive disadvantage for Oregon-based trucking companies that compete with out-of-state carriers not subject to this mandate. While we are supportive of the product, a better strategy would be to create incentives for renewable diesel production that would allow the industry to transition to this fuel without the risk this bill creates.

SB 803 proposes a dangerous strategy, and we ask you to not move this bill forward.

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