

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 Wade Palmer and I own Kool Pak LLC. We are a Clackamas Oregon refrigerated LTL carrier and warehousing company. We employ nearly 100 of our 175 employees at three Oregon locations.

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 tested renewable diesel extensively; it is not trouble-free shifting from petroleum diesel to renewable. There are alterations needed to vehicles to be able to use renewable diesel during cold weather. Even TriMet (although they won’t publicly announce it) switch’s away from renewable diesel during cold weather events. Our trucks can drive 1,500 miles on full tanks. That range can put a long-haul tractor deep into zones in other states that have – degrees fahrenheit temperatures. Fuel conditioners are used to combat the impact but those are also difficult to procure consistently.

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. Let's work on supply first and then transition to these products.

Sincerely,

A handwritten signature in black ink, appearing to read "Wade Palmer", written in a cursive style.

Wade Palmer
Kool Pak, LLC