

<u>Testimony to House Committee on Climate, Energy, and Environment</u>

Chair Lively and Committee Members,

Carson supports sustainable change in Oregon and is committed to partnering in reducing emissions to improve air quality through being a leading provider and distributor of lower carbon intensity fuels. Before the Oregon Clean Fuels Program, Carson was already a major biodiesel supplier in Oregon and is the current top renewable diesel supplier.

On behalf of our Family of Companies, I have been communicating concerns about the Advanced Clean Truck (ACT) regulations to the Department of Environmental Quality for several months. Carson supports sustainable change in Oregon and is committed to partnering in reducing emissions to improve air quality. However, the current ACT timeline needs adjustment for the State to effectively reach realistic goals using zero-emission vehicles (ZEVs).

It is important to note that Oregon's freight hauling industry currently lacks viable ZEV options for applications such as tow trucks, long haul, heavy haul, emergency vehicles, snowplows and fuel tanker trucks. Carson operates class 8 tanker trucks with a gross combined weight (GCW) of 105,500 pounds over mountain passes and in extreme temperatures. ZEVs are presently not available for over 85,000 GCW and lack the ability to haul effectively over passes or at low temperatures.

Additionally, there is no truck charging infrastructure in Oregon metro areas and statewide, making the ACT's current implementation timeline unobtainable. Logistics companies have serious reservations in ordering vehicles from dealers without a sufficient charging infrastructure, which could render the vehicles unusable after purchase.

There are several barriers to the ACT implementation for Carson and all industries using medium and heavy-duty diesel trucks throughout Oregon:

- Insufficient public charging infrastructure, with only one station statewide.
- Higher freight costs due to expensive vehicles, reduced payload from battery weight, and shorter travel distances will negatively affect consumers.
- ZEVs' limited range, complicating compliance with driver hours-of-service regulations in long-haul applications.
- Inadequate incentives for purchasing medium and heavy-duty ZEVs, resulting in significant upfront costs for companies shifting to ZEVs.
- The rule's credit structure is unworkable for class 7 and 8 and lacks alternative compliance pathways.



- The replacement of older tucks is an ongoing priority for Carson. Sales limitations on internal combustion engine (ICE) trucks are already an issue due to lack of sales of ZEV trucks to make percentages. This limits our ability to purchase new more efficient ICE engine trucks and prolongs our use of older, higher-emission vehicles.
- Lack of clarity or guidance on exemptions due to operational safety concerns. Carson transports fuel for organizations including ODOT, OSP, fire departments, hospitals, data facilities, farmers, and manufacturers. Utilizing an electric battery-powered tanker truck presents considerable fire risk and is not an option.

Furthermore, products and technologies such as renewable diesel are emerging and increasingly available on the west coast. Combining more efficient combustion engine technologies, improvements in renewable diesel carbon intensity, and existing infrastructure may fiscally and environmentally exceed ZEV adoption in both the short and long term for Oregon. The analysis of renewable diesel usage and its environmental benefits as an alternative alongside ZEV units has not yet been addressed by west coast states.

Renewable diesel could more easily allow for interstate commerce to thrive, with a low barrier of infrastructure changes, while improving carbon emissions in Oregon. Renewable diesel-run internal combustion engine (ICE) trucks should be considered in ACT and Low NOx Omnibus rulemaking. This option can significantly support Oregon's carbon emission reduction goals in the transportation sector, is cost-effective for businesses, and has minimal cost impact on residents.

Several states that had intended to implement ACT have decided to postpone its adoption until 2027 due to its economic impact. We urge this committee to support HB 3119, delaying the ACT regulation in Oregon, and advance it for House consideration.

Respectfully submitted,

Blake Woodbury, Senior Vice President Carson