



February 21, 2025

Re: House Bill 3261

Dear Chair Lively, Vice-Chair Gamba, Vice-Chair B. Levy, and Members of the Senate Committee on Energy and Environment:

Thank you for the opportunity to provide written public testimony on HB 3261. Columbia Riverkeeper's mission is to protect and restore the Columbia River and all life connected to it, from the headwaters to the Pacific Ocean. We are deeply committed to ensuring clean water, healthy communities, and protecting the Columbia and climate from the impacts of fossil fuels. While Columbia Riverkeeper supports policies to reduce reliance on fossil fuels, we oppose allocating public resources to "study incentives for increasing the availability of renewable diesel," without also studying if, how, and how much renewable diesel is actually necessary to meet Oregon's climate goals. The bill's directive appears biased in favor of maximizing renewable diesel production and use, and overlooks critical questions about whether renewable diesel is a worthwhile climate solution, how much renewable diesel is appropriate to supply hard-to-decarbonize activities, and how incentivizing renewable diesel may impede vehicle electrification efforts. Should the bill proceed, Columbia Riverkeeper strongly urges the Committee to amend the bill to expand the Task Force's study to include feedstock lifecycle emissions, refinery energy sources and emissions, and facility siting.

"Renewable" diesel production is energy-intensive, and most producers rely on fossil fuels to power their facilities, furthering consumption of fossil fuels and creating local air emissions.¹ Columbia Riverkeeper strongly opposes the continued reliance on, and expansion of, any fossil fuel infrastructure. Supporting the construction of "renewable" diesel infrastructure—such as shipping terminals, pipelines, and refineries—will continue fossil fuel dependence. Preventing new fossil fuel infrastructure is crucial to protecting our climate, and renewable diesel has the potential to be a distraction from real climate solutions.

Despite the label, the vast majority of "renewable" diesel has significant environmental and climate consequences. The use of purpose-grown feedstocks and reliance on methane gas to produce renewable diesel may mostly offset any reduction in tailpipe CO2 emissions. Emissions from growing crops specifically for feedstock should be included in calculations to accurately assess the overall carbon intensity of a fuel. Further, the production, transport, and refining of purpose-grown feedstocks result in a range of environmental and climate impacts. For example, using non-waste, purpose-grown feedstocks for diesel production encourages land conversion and promotes the growth of alternatives like palm oil,² contributing to deforestation and

¹ *Biofuels Explained, Biofuels and the Environment*, EIA, (2022)
<https://www.eia.gov/energyexplained/biofuels/biofuels-and-the-environment.php>.

² While palm oil may not be a primary renewable diesel feedstock in the US, feedstocks exist in a global market and increased demand of soybean oil domestically can increase demand for palm oil elsewhere.

biodiversity loss.³ Relying on unsustainable feedstocks and promoting gas-fired refineries will undermine Oregon’s efforts to address toxic emissions and climate-changing pollution from diesel.

Even waste feedstocks (like used cooking oil, grease, and animal fats), which have lower carbon intensities, require a *significant* amount of hydrogen and energy to produce renewable diesel. If that hydrogen and energy is produced from fossil fuels, typically methane, this increases the overall carbon intensity of renewable diesel made from waste feedstocks.⁴ Further, waste feedstocks are in high demand from out-of-state markets, making them expensive and difficult to obtain. As a result, any new renewable diesel refineries in the state will likely be forced to rely on unsustainable, carbon-intensive feedstocks.

Purpose-grown feedstocks are unlikely to produce fuel with a significantly lower carbon intensity than conventional diesel.⁵ Producing such fuel would, however, delay meaningful climate action, such as electrification, and would further entrench fossil fuel infrastructure and reliance.

Renewable diesel production and transport has already started off on the wrong foot in Oregon, thanks to untrustworthy industry actors: NEXT Renewable Fuels (also known as NEXTClean) and Zenith Energy have degraded public trust in renewable diesel as a climate solution or a way to protect local communities from pollution.

Zenith’s Portland Terminal facility currently handles and stores large quantities of hazardous liquids, including volatile refined fossil fuels. Yet, according to Zenith, over half of its storage capacity will be filled with “renewable” diesel by the end of next year.⁶ However, Zenith’s extensive history of more than 20 violations clearly illustrates a pattern of noncompliance and dishonesty.⁷ Instead, Zenith’s “renewable” fuels proposal is simply part of the company’s broader strategy to expand its operations. As “renewable” fuels carry many of the same risks as conventional fuels, including the risk of explosions and the potential for devastating spills, Zenith’s plans pose increased risks to both the environment and communities along rail lines.

Additionally, the Houston-based company NEXT, along with its troubling history of unfinished projects and untrustworthy leadership,⁸ proposes to build a “renewable” diesel

³ Dr Chris Malins & Dr Cato Sandford, *Animal, Vegetable, or Mineral Oil*, Cerulogy, (Jan. 2022) <https://theicct.org/wp-content/uploads/2022/01/impact-renewable-diesel-us-jan22.pdf>.

⁴ Producing hydrogen from methane, for example, releases CO₂, contributing to GHG emissions. *Biofuels Explained, Biofuels and the Environment*, EIA, (2022) <https://www.eia.gov/energyexplained/biofuels/biofuels-and-the-environment.php>.

⁵ In fact, if feedstock is cultivated on land from converted forests, the resulting GHG emissions actually *exceed* emissions from fossil fuels. V. Uusitalo, et al., *Carbon Footprint of Renewable Diesel from Palm Oil, Jatropha Oil and Rapeseed Oil*, 69 RENEWABLE ENERGY 103, (2014) <https://doi.org/10.1016/j.renene.2014.03.020>.

⁶ *Update on Zenith Renewables Transition Since 2022 LUCS*, Zenith Energy, (Dec. 2024) <https://www.streetroots.org/sites/default/files/Zenith%2012.9.24%20update%20on%20renewables%20transition.pdf> at 7.

⁷ Kate Murphy, *Zenith Energy’s Legacy of Violations and Lies*, Columbia Riverkeeper, (Nov. 7, 2024) <https://www.columbiariverkeeper.org/2024/zenith-energys-legacy-of-violations-and-lies/>.

⁸ Tony Schick & Conrad Wilson, *Businessmen Who Abandoned Toxic Mess Now Want to Build Refinery in Washington*, ERTHEX (Feb. 2, 2016)

refinery at Port Westward. The refinery is expected to emit over one million tons of greenhouse gas pollution annually,⁹ making it one of the largest greenhouse gas polluters in the state, and would consume as much fracked gas each year as the city of Eugene.¹⁰ The facility would also use a 400-foot-tall flare stack, releasing harmful, smog-forming pollution. Flaring from renewable diesel production creates considerable amounts of emissions, resulting in acute air pollution to nearby communities.¹¹

Further, NEXT's proposed refinery is located amid rural homes, farms, wetlands, and habitat, and poses an inherent risk of a catastrophic spill in the event of an earthquake. The facility plans to store over 1 million barrels of fuel and feedstock near sensitive waterways, within a liquefaction zone. A spill from the refinery, rail yard, pipelines, or ships could result in significant health, safety, and environmental risks. Local residents have repeatedly raised concerns about the potential damage to farms, water resources, air quality, and overall community safety.¹² However, those most affected by the refinery have not had a seat at the table in discussions about renewable diesel and its potential impacts. At the very least, the draft bill should be amended to include representatives from communities impacted by the production and transport of renewable diesel on the Task Force. Further, the Task Force's study should consider the impacts to frontline communities near renewable diesel refineries, like the community at Port Westward, who will disproportionately bear negative effects such as air pollution, odors, safety risks, and potential spills.

Decision-makers in Oregon must prioritize public health and safety and urgently act to cut fossil fuel emissions. We need to rapidly shift to truly clean energy and allocate resources toward real climate solutions. Funding a study to provide a foundation for a future renewable diesel mandate is irresponsible without also examining whether and how much renewable diesel is appropriate and helpful to meeting Oregon's climate goals, and considering all local impacts.

Sincerely,

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<https://www.klcc.org/2016-02-02/environmental-cleanup-unpaid-bills-in-refinery-backers-last-venture>; *Odessa Biodiesel Site*, EPA, https://response.epa.gov/site/site_profile.aspx?site_id=9819.

⁹ NEXT's *Air Contaminant Discharge Permit*, Oregon DEQ, (Aug. 2022)

<https://www.oregon.gov/deq/Programs/Documents/NEXT-ACDP-permit.pdf>.

¹⁰ Eugene, Oregon, *Community Greenhouse Gas Inventory*, (2021)

[https://www.eugene-or.gov/DocumentCenter/View/68521/2021-Eugene-Community_GHG_Report#:~:text=o%20Eugene's%202021%20fossil%20fuel.and%20natural%20gas%20\(30%25\)](https://www.eugene-or.gov/DocumentCenter/View/68521/2021-Eugene-Community_GHG_Report#:~:text=o%20Eugene's%202021%20fossil%20fuel.and%20natural%20gas%20(30%25).).

¹¹ NEXT's facility, for example, will emit a mix of toxic and smog forming air pollutants including particulate matter, volatile compounds, sulfur dioxide, hydrogen sulfur. NEXT's *Air Contaminant Discharge Permit*, Oregon DEQ, (Aug. 2022) <https://www.oregon.gov/deq/Programs/Documents/NEXT-ACDP-permit.pdf>;

Greg Karras, *Changing Hydrocarbons Midstream*, G Karras Consulting, (June 2021)

https://www.energy-re-source.com/files/ugd/bd8505_757a3372387d46358c74d958d158fcb5.pdf.

¹² <https://www.youtube.com/watch?v=jguuAar5ToM>