



## AGC Opposes SB 488

### AGC POSITION ON SENATE BILL 488 (Implementation of LCFS):

AGC opposes the implementation of the Clean Fuels Program/LCFS in Oregon and, therefore, opposes the adoption of SB 488 that proposes to repeal the sunset.

### AGC CORE POLICY:

The Oregon Clean Fuels Program/Low Carbon Fuel Standard contradicts AGC's core policy to **oppose new environmental regulations that will impose financial burden on the industry and/or the broader economy**. Instead, AGC **advocates an incentive-oriented approach for emission reduction equipment**.

### BASIC FACTS ABOUT THE OREGON CLEANS FUELS PROGRAM:

- Four and a half years after passing legislation authorizing a program to regulate Oregon's entire fuel supply, DEQ has designed an **unworkable** program
- Retro-fitting equipment to handle these biofuel/special fuel blends is **incredibly expensive**. The majority of contractors would be faced with making changes they cannot afford. Only some contractors are able to make the necessary investments in special fuel blends/energy production technologies, onsite fueling depots, total fleet conversions and all of the costs associated with these capabilities.
- Fuel industry experts predict that limited supply of biofuel/special fuel blends in the US would likely trigger **fuel shortages and spikes in fuel production costs**, and forecast that fuel costs in Oregon could go up by as much as \$1-\$1.50 per gallon as a result.
- Converting to higher biofuel content fuels would affect truck engine warranties- currently, there are percentage limits on blended fuels, which when exceeded will **void many manufacturers' warranties**.
- This kind of program is **not feasible at the state level**- these policies should be a matter of discussion at the Federal level. In fact, there are already federal mandates in place for advanced biofuels/special fuel blend technology through the Federal Renewable Fuel Standards (RFS) program.

Overall, **environmental policies must be reasonable and achievable** to minimize the environmental barriers to business opportunities. At the state level, a program such as the Oregon Clean Fuel/LCFS is not reasonable or achievable and, therefore, it is not something we can support.

**For more information, please contact:**

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