

House Committee on Revenue

Date: March 28, 2013

Time: 8:00 AM

Room : HR A

Representative Phil Barnhart, Chair

Representative Jules Bailey, Vice Chair

Representative Vicki Berger, Vice Chair

Re: In support of House Bill 2435

Dear Committee Chair, Vice Chairs and Members,

My name is Gavin Carpenter and I am Director of Sales for SeQuential-Pacific Biodiesel.

We have Oregon's largest and longest running biodiesel facility 5 miles from the Capitol in south Salem. This year we will produce over 6 million gallons of low carbon sustainable biodiesel. We will collect and purchase over 8 million gallons of used cooking oil. Many of those suppliers are based right here in Oregon. Rogue Biofuels in Ashland, Go Bio in Bend, those businesses collect oil from restaurants and sell to us as feedstock for our plant. We have 92 employees and every one earns a family wage job and full medical benefits.

House Bill 2435 will create consistent demand for high blends of biodiesel in our transportation vehicles. This bill will provide security in the market and allow us to compete for what we consider a natural resource, used cooking oil. Recent policy in California, specifically California's Low Carbon Fuel Standard has created a strong demand for Used Cooking Oil (UCO) and we are begin to see some of our supply diverted to California.

We want to see the value add chain remain in Oregon, rather than export a natural resource to be processed into a higher value product in another state. HB 2435 would allow us to pass on that value for used cooking oil to our suppliers and Oregon restaurant owners, allowing us to retain a natural resource.

Our plant capacity is 17 million gallons a year which has not been reached due to a fundamental of economics: lack of supply.

We are limited by the amount of feedstock we can collect regionally. In order to fill the capacity of our plant we would need to source over 20 million gallons of cooking oil. Those volumes require us to reach farther and farther outside of the Northwest adding costs to the supply chain.

However we have developed in our lab technology to produce biodiesel from Grease Trap waste. HB 2435 would provide an assurance of local demand which would allow us to raise the two million dollars to build out this technology from lab to production scale allowing us to divert grease trap waste from municipal sewers and landfills and into biodiesel.

This expansion would create jobs directly at SeSequential-Pacific Biodiesel and all along the entire supply chain: more drivers hauling product to our facility, local collection and grease trap companies expanding to fill our demand, and restaurants receiving a premium for their used cooking oil to have it sourced into biodiesel.

Finally this bill would create a local high blend demand for sustainable biodiesel in Oregon. Every dollar spent in Oregon on locally made biodiesel is a dollar that does not leave our state and recycles throughout our entire economy.

Voting Yes on HB 2435 would provide a level of market demand that will ripple thru the entire biodiesel supply chain industry – from restaurants owners to collection companies to biodiesel producers to fleet owners running a low carbon sustainable and renewable fuel.

Thank you.