

Final 4-1-13 Testimony of Jeff Stewart, Blue Star Gas regarding SB 583 Before the Oregon Senate Business and Transportation Committee:

Chair [Senator Lee Beyer](#)
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Member [Senator Chuck Thomsen](#)
Member [Senator Chris Edwards](#)
Member [Senator Fred Girod](#)
Member [Senator Rod Monroe](#)

Good afternoon Chair Senator Beyer and Members of the Committee:

Thank you for the opportunity to offer my testimony today.

I am Jeff Stewart, President of Blue Star Gas. I am the third generation owner of this 75-year old company with offices in Washington State, California and, in Oregon we have 6 offices with 30 employees. My business has been successfully delivering propane, providing jobs and paying taxes in Oregon for more than 3 decades.

- I am also: sitting Chairman of the Western Propane Gas Association, which is the California state propane association, a board member of the national policy group Autogas for America, and a partner in Alliance Autogas.
- I am before you today to speak in favor of SB 583, a common sense approach that serves a compelling common need:
- No matter what matters most to you personally, if you care about the economy, or the environment, or national energy security, this bill serves all three with no downside and minimal cost, if any, to the taxpayer.
- Many alternative fuels are less expensive than gasoline and this bill creates a revolving fund that allows the State of Oregon to provide financing in the form of low cost loans for *the conversion of public fleet vehicles to alternative fuels*. It enables a pay-as-you-go mechanism by which *savings from the implementation of these fuels pays for their adoption*.
- In the case of Propane Autogas, the current fuel savings is around \$2.00 per gallon. This creates a remarkable return on investment but the barrier to adoption for public fleets is the up-front cost per vehicle to convert (or purchase) alternative fuel vehicles.
- The greenest, and as it turns out, the least expensive thing you can do to harvest the benefits of alternative fuel adoption is to first harvest the life of your existing fleet in which capital has already been invested by converting them, when appropriate, to the right alternative fuel.

- Conversion to Propane autogas is about \$6,000 per vehicle and in a typical example, a County Sheriff driving 30,000 annual miles will recoup the conversion cost in 15 months while reducing GHG by over 6,000 pounds.
- I would like to call your attention to the fact that the bill presently provides for a 6 year payback for qualifying vehicles. Considering the fact that there are MANY vehicles that have a payback in less than 2 years, I would urge that threshold be moved to 3 years, but no more than 4 years. It would seem to me a primary goal of this program is to turn the fund as quickly as possible. It is critical to focus on higher mileage, higher emitting vehicles that can provide the greatest economic return to agencies that participate in this program.
- When you combine these metrics with the fact that 97% of the propane we consume is made in North America, you recognize that this is a triple win for the public, for the environment and for our nation. There is a significant economic savings, there is significant environmental benefit, and it reduces our country's reliance on foreign oil.
- Budget cutbacks have caused furloughs, terminations, loss of programs and loss of staff, state and nation wide with a profound negative effect upon our cities and counties and citizens.
- The savings enabled by SB 583 yield an enormous positive force to facilitate services being restored, programs retained and staffing returned to more effective levels.
- Because we believe that a free market economy should drive alternative fuel choice, we support this kind of program, rather than expensive mandates or incentives. This is a technology that doesn't require incentives or mandates to be successful. It is the right tool for the job and we support its availability to all alternative fuels, not just the one we supply because we believe all fuels should compete on an even playing field without government picking winners.
- Conclusion: This bill is well focused to encourage adoption of alternative fuels to inure benefits to our economy, our environment and our nation at minimal cost to the taxpayer. Alternative fuels CAN pay their own way to benefit our future and we ask for your vote in support of SB 583. Thank you.

Jeff Stewart

President, Blue Star Gas