

March 15, 2013

Committee Chair, Senator Dingfelder
Committee Vice-Chair, Senator Olsen
Senator Bates
Senator Hansell
Senator Hass

RE: SB 488 Clean Fuels Bill

Dear Members of the Senate Environment and Natural Resources Committee,

As a new business that will provide lower carbon fuels and jobs in Oregon, we are writing to express our support of SB 488. Columbia Biogas, is a Portland-based company that is developing a world-class facility to convert commercial and industrial food waste into renewable energy in northeast Portland. The project will create jobs and produce renewable natural gas and organic-based fertilizer, all while diverting food waste from landfills and reducing greenhouse gas emissions. The facility will produce biogas in a biologic process using anaerobic digestion in a closed facility. The biogas will be upgraded to pipeline quality renewable natural gas (RNG) that can be used to replace fossil-based natural gas in many applications including vehicular fuel.

As you know, clean fuels are healthier and help reduce our impact on the climate. Because transportation accounts for more than one-third of Oregon's climate-changing greenhouse gas emissions it's essential that we begin addressing the carbon content of transportation fuels. The renewable natural gas (RNG) produced by Columbia Biogas can be used to produce compressed natural gas (CNG) for natural gas vehicles such as waste collection vehicles, buses, taxis and passenger vehicles. According to the EPA, compared to traditional vehicles, vehicles operating on compressed natural gas have reductions in carbon monoxide emissions of 90 to 97 percent, and reductions in carbon dioxide emissions of 25 percent as well as reduction in cancer-causing particulate matter. The environmental benefits of RNG are even greater. Columbia Biogas will produce the equivalent of 3 million gallons of diesel fuel each year.

Contrary to claims by opponents of SB 488, the Clean Fuels Program protects against higher prices at the pump and creates consumer choice. There are in fact built-in safeguards to protect businesses and individuals in the unlikely case that price spikes or supply shortages occur.

Oregon sends more than \$6 billion out of state each year to import gasoline and diesel, money that by and large doesn't benefit our state economy. Diversifying our fuel supplies will grow Oregon's economy. Financial investments today in low-carbon transportation infrastructure will provide immediate job opportunities, with very positive economic, health and environmental outcomes as we build a clean fuels future. Clean fuels companies are already creating jobs for Oregonians. Columbia Biogas will create 85 construction and 20 permanent jobs. A job training and recruiting program has also been

established to maximize local employment opportunities and create economic development in the communities surrounding the facility.

The sunset on the Clean Fuels Program prevents investment in clean fuels. Until the sunset is removed, businesses will not be able to rely on demand to obtain financing for new investment in clean fuels. This is a self-defeating cycle that causes endless delays and hurts Oregon's economic recovery. The Clean Fuels Program will also drive local demand for the RNG produced by CBG and keep our fuel from being exported to other states that have low carbon fuel standards.

I would be pleased to meet with you or have a telephone call to discuss our company's work in the lower carbon fuel industry.

Best regards,

A handwritten signature in blue ink that reads "John McKinney". The signature is written in a cursive style with a large initial "J" and "M".

John McKinney
President
Columbia Biogas