



February 24, 2015

House Committee on Energy and Environment
Oregon State Capitol
Salem, OR 97301

RE: Senate Bill 324-A

Chair Vega Pederson and Members of the Committee,

We write in strong support of SB 324-A, and urge you to pass the bill. Climate Solutions is a regional non-profit working to accelerate practical and profitable solutions to global warming. The Clean Fuels Program is exactly the kind of solution we seek: one that signals to clean energy businesses that Oregon is ready for their investment and jobs, while improving our air quality and reducing greenhouse gas emissions.

Now is the time to make this program a reality. The Oregon legislature passed HB 2186 in 2009 authorizing the Environmental Quality Commission (EQC) to move forward with rules to reduce emissions from Oregon's transportation fuels by 10% over a 10-year period. This past December the EQC did just that by implementing Phase 2 rules for the program. The legislature must now act in order to fully realize the benefits of more clean fuels in Oregon.

This is an achievable and reasonable policy for Oregon. SB 324-A provides 10 years for the Department of Environmental Quality (DEQ) to implement the program, with flexibility to the EQC to extend as appropriate. The bill also gives the EQC wide discretion and authority to manage the costs of the program, protecting consumers. Right now, Oregonians send \$6 billion every year out of state for oil, with no protection from the wild fluctuations and frequent price spikes of gas prices. The Clean Fuels program offers a chance to keep some of our energy dollars closer to home, investing in a growing clean fuels industry in Oregon.

The Pacific Northwest has significant resources to meet rising demand for cleaner fuels. The law does not specify which fuels must be used to comply, offering a range of options including biodiesel and ethanol, natural gas, propane and electricity. Sources of clean fuels are available throughout the state, from farms and forests, as well as dairies, waste disposal facilities and low-carbon electricity. The International Council on Clean Transportation (ICCT) released the most comprehensive study of clean fuel availability for the west coast last month. The study concluded that there is sufficient clean fuel available for California, Oregon, Washington and British Columbia to meet low-carbon fuel goals. Using a mix of clean technologies, the region could reduce the carbon intensity of on-road transportation fuels between 14-21% by 2030. Further,

success does not depend on reliance on any single technology or market.¹

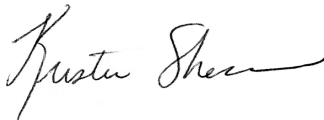
Over one-third of Oregon's climate pollution (36%) comes from the transportation sector. We estimate that an additional 15 million metric tons (MMT) of reductions are needed in order to meet Oregon's 2020 greenhouse gas emissions reduction goal (10% below 1990 levels) in ORS 468A.205. The Clean Fuels program, targeted to reduce transportation pollution, plays an essential part in achieving some of these needed reductions.

In that same year this law originally passed, it was estimated that climate change would cost the State of Oregon a minimum of \$3.3 billion annually by 2020, \$5.1 billion by 2040 and \$9.8 billion by 2080. These are costs incurred due to increased flood and storm damage, reduced food production, increased wildfires, and health impacts (e.g., more respiratory disease such as asthma).² We know some of Oregon's significant industries have already experienced the costs of climate change, from our shellfish industry, to our wine growers, to the ski resorts.

Oregon can play its part in making the transition from exclusive reliance on fossil fuels to clean energy. We believe this transition is not only possible, but economically attractive. We also know – as underscored by the most recent Intergovernmental Panel on Climate Change report – that we must now accelerate this transition. The science and the physical impacts of climate disruption are a reality here in Oregon.

Again, we urge the Committee to pass SB 324-A. Thank you for your consideration of these comments.

Sincerely,



Kristen Sheeran

Oregon Director



Ann E. Gravatt

Policy Advisor

¹ "Potential low carbon fuel supply to the Pacific Coast region of North America," International Council on Clean Transportation and E4tech. January 23, 2015. Available here: <http://www.theicct.org/potential-low-carbon-fuel-supply-pacific-coast-region-north-america>

² http://www.theresourceinnovationgroup.org/storage/economicreport_oregon.pdf