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**Pacific Ethanol, Inc.**

March 2, 2015

Re: SB 424

Dear Chair Beyer and the Senate Committee on Business and Transportation:

I am writing today to encourage you to vote No on Senate Bill 424, which would undermine Oregon's Renewable Fuel Standard (RFS.)

Oregon adopted our RFS in 2007 to align with the national RFS policy and to address concerns about energy security, greenhouse gas pollution, and public health consequences. Biofuels – including ethanol – are particularly attractive solutions to these issues given their ability to be used in combination with oil with only minor adjustments in existing infrastructure.

Today, more than 95% of all gasoline in the United States includes ethanol.<sup>1</sup> E10 blends have proven to be reliable and safe for all engines **including motorcycle engines**<sup>2</sup>. In fact, the EPA notes that E10 is “substantially similar to gasoline.”<sup>3</sup>

Despite that E10 is proven to be safe for all car and motorcycle engines, Senate Bill 424 proposes to exempt motorcycles from Oregon's Renewable Fuel Standard. Why? Because, according to the preliminary staff summary, “Even though the commercialization of E15 is slow, with only a handful of stations offering the fuel today, the American Motorcyclist Association (AMA) has expressed concern that the introduction of E15 will eliminate the availability of E10 in the marketplace for motorcycles.”<sup>4</sup>

As you can see, this bill is a perfect example of what many call “a (bad) solution looking for a problem.” E10 is the most commonly used gasoline in Oregon and **there is zero evidence that a future R15 option will diminish E10 offerings.**

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<sup>1</sup> State of Oregon report on Renewable Fuels (September 2014)

[https://www.oregonlegislature.gov/citizen\\_engagement/Reports/BB2014RenewableFuels.pdf](https://www.oregonlegislature.gov/citizen_engagement/Reports/BB2014RenewableFuels.pdf)

<sup>2</sup> SB 424 preliminary staff measure summary:

<https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/49835>

<sup>3</sup> US Department of Energy: [http://www.afdc.energy.gov/fuels/ethanol\\_blends.html](http://www.afdc.energy.gov/fuels/ethanol_blends.html)

<sup>4</sup> SB 424 preliminary staff measure summary:

<https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/49835>

Our adoption of the RFS has served us very well in Oregon. In addition to reducing our oil consumption for energy independence and improved air quality for public health, the RFS has been a direct, major driver of local jobs and economic gains<sup>5</sup>.

This bill is unnecessary. Further, if passed, it would curb the benefits and achievements we've been able to make under our RFS. I thank you in advance for voting no on this bill to uphold our state's Renewable Fuel Standard.

Sincerely,

Tom Koehler, Pacific Ethanol

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<sup>5</sup> Cascade Business News: <http://cascadebusnews.com/news-pages/e-headlines/5316-oregon-economy-job-market-reaps-major-benefits-from-renewable-fuels-industry>