



June 24, 2015

Senator Chris Edwards, Chair
Members of the Senate Special Committee on Sustainable Transportation
Oregon State Capitol
Salem, OR 97301

Re: House Bill 2281

Dear Senator Edwards and Members of the Committee,

I write on behalf of Climate Solutions to express strong opposition to House Bill 2281 and its proposed amendments, which repeal the Clean Fuels Program. Climate Solutions is a regional non-profit working to accelerate practical and profitable solutions to global warming. For more than 15 years, Climate Solutions has been working to implement energy efficiency, renewable energy, and carbon reduction policies that demonstrate that clean energy and broadly shared economic prosperity go hand-in-hand. Climate Solutions has actively supported the development and implementation of a Clean Fuels Program in Oregon over the last 6 years.

Climate Solutions supports a sound transportation package for Oregon that is equitably funded. We reject the transportation package outlined in House Bill 2281 and its amendments because *it replaces a proven, market program that will deliver pollution reduction with certainty with an assortment of voluntary measures that will cost the public tens of millions of dollars and in actuality achieve less public health and pollution benefits than the Clean Fuels Program.*

Earlier this year, Governor Brown made history when she signed SB 324 into law, removing the sunset on the Clean Fuels Program and ending the oil industry's monopoly on fuel choices for Oregonians. It took six years of public input and democratic process to arrive at that point. Now, after only 4 weeks of closed-door discussions, House Bill 2281 would repeal the Clean Fuels Program and replace it with measures that cost more and deliver less.

Specifically, we call your attention to the following deficiencies of the proposed Clean Fuels replacement:

1. The proposal would only achieve 2.5-3.5 MMT of reductions, less than half of the 7.7 MMT of reductions guaranteed by the Clean Fuels Program.
2. There is no oil industry accountability in this proposal – the oil industry could pollute more without consequences. The burden of progress is moved from the oil industry to biofuels producers. It imposes unfair barriers to biofuels producers who must prove their product is “commercially available, technologically feasible, and cost effective”. The oil industry is not required to be cost effective, while biofuels producers must show supply before there is market demand.
3. The proposal effectively robs Peter to pay Paul – it re-directs Public Purpose Charge dollars from efficiency and renewable energy programs, including those aimed at lowering energy bills for school districts, to pay for electric vehicle infrastructure. It also allows utilities to pass the cost onto ratepayers. Diverting dollars from existing programs *increases* emissions. Climate Solutions supports electric vehicles, but not at the expense of programs that are already generating pollution reduction.
4. The proposed alternative counts emissions reductions from investments in improving transit and transportation. These are fundamental building blocks of a transportation package and should not be considered substitutes for the Clean Fuels Program.

5. The Clean Fuels Program requires no additional investments of public dollars. Oil importers are held accountable for meeting the standard, by investing in lower carbon fuels or credits. The proposed alternative lets the oil industry off the hook, and shifts the burden of cleaning the air and protecting the climate to the public.

Oregon cannot afford to go backwards in its commitment to public health and climate stability by repealing the Clean Fuels Program. House Bill 2281 and its proposed amendments are a good deal for the oil industry, but a bad deal for Oregonians. **We strongly urge you to vote against House Bill 2281 and its proposed amendments.**

Thank you for your consideration of these comments.

Sincerely,



Kristen Sheeran, Ph.D.
Oregon Director, Climate Solutions