



## Testimony on HB 2281-B7 June 24, 2015

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Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative solutions to Oregon's environmental challenges for today and future generations.

**The Oregon Environmental Council strongly opposes HB 2281-B7 that repeals the Oregon Clean Fuels Program.** The “replacement” is less effective and costs more.

#### **The replacement costs more.**

The replacement package for clean fuels costs \$270M - \$370M, more than full day kindergarten for the entire state. This is compared to Clean Fuels, which costs the State next to nothing.

#### **Carbon savings are hopes, not hard math.**

The only certain reductions from the fuels requirements are 2.5 MMT reductions, or less than half of what clean fuels gets us. Even that is questionable given the new hurdles imposed on the renewable fuels sector.

#### **Redirecting public purpose charges is robbing Peter to pay Paul and can't be counted as additional pollution reductions.**

Those funds are already reducing climate pollution through investments in energy efficiency and renewable energy programs that are fully subscribed for years into the future. To redirect those funds may mean breaking existing contracts. Those 1.5 MMT are double counted.

#### **Under the replacement, the oil industry can pollute more. I**

t does not require the oil industry to report on their sources of oil or the carbon impact of petroleum fuels. Any emissions savings from blending will be lost if oil companies begin importing more tar sands, which are already appearing in our fuel mix.

#### **Voluntary incentive programs do not guarantee savings.**

They hold no one accountable unless coupled with requirements, which this package doesn't have.

#### **Transportation Operations savings are vague at best.**

The Federal Highway Administration states that greenhouse gas (GHG) reductions from investing in transportation operations are “largely inconclusive”.<sup>1</sup> Increasing system

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<sup>1</sup> See the “Reference Sourcebook for Reducing Greenhouse Gas Emissions from Transportation Sources” [http://www.fhwa.dot.gov/environment/climate\\_change/mitigation/publications\\_and\\_tools/reference\\_sourcebook/page06.cfm](http://www.fhwa.dot.gov/environment/climate_change/mitigation/publications_and_tools/reference_sourcebook/page06.cfm)

efficiencies may actually increase GHGs by putting more cars back on the road. Additional pitfalls in these supposed savings include things like ramp metering, which increases idling and GHGs. Given these uncertainties, we dispute the 2.02 MMT number.

**The replacement is not good government.**

There are now over a dozen new requirements for proving commercial availability for biofuels that are currently made and sold in Oregon. Why are we making Oregon clean fuels businesses jump through more hurdles? This replacement favors out-of-state oil companies who do not have to meet the same standards. This replacement also limits opportunities and pre-selects market segments for different fuel types.

Most disturbing has been the lack of transparency surrounding this bill. Whereas the Clean Fuels Program was publically vetted for seven years, this replacement package was cobbled together in secret in a matter of weeks. A broad range of stakeholders has never been engaged. It clearly puts the interests of deep-pocketed oil companies above Oregon's clean air and economic development interests. This is exactly why the public loses confidence in the legislature.

Indeed this is how this is being perceived by the public: In a citizen letter published in the Statesman Journal, Raymund Duke says, "The oil industry's doing what it usually does: undermining the public will and legislative process with closed door arm-twisting. The oil industry is just trying to undercut their clean technology competitors by rolling back this law."

**Passing a clean, climate-smart transportation package should be a priority. But it should not come at the expense of the Oregon Clean Fuels Program.**

**The Oregon Environmental Council urges a vote NO on HB 2281-B7 in order to protect air quality, health, our climate and economic development.**