

Julie Berg

Committee Report

Oregon has a track record of successfully pursuing clean energy policy, programs, and practices to stabilize energy prices, create new economic development opportunities, increase energy security and reliability, and decrease harmful air pollutants. The Governor's 10-Year Energy Action Plan builds on this work, creating a clear, practical approach to meeting the state's energy needs while protecting consumers and enhancing economic and environmental objectives.

Goal Three of the Governor's 10-Year Energy Action Plan is to accelerate the market transition to a more efficient, cleaner transportation system, particularly focused on converting 20 percent of fleets to alternative fuels. Alternative fuels – including natural gas, propane, hydrogen, biofuels and electricity – often cost less than traditional gasoline and diesel. This creates an economic opportunity for businesses to save money on their fuel bills and provides consumers with more choices. In addition, cleaner burning fuels pollute less and improve air quality in Oregon.

Oregon citizens are already ahead of the U.S. market curve when it comes to early adoption of highly efficient alternative fuel vehicles. With the state's market readiness and consumer interest in transitioning to alternative fuels established, what is missing is a clear, predictable pathway for building out alternative fueling infrastructure. The Oregon Clean Fuels Program provides this path.

Benefits from this effort will be felt across the state, including and especially in Oregon's rural areas. An independent analysis by Jack Faucett Associates shows that the program could create up to 29,000 jobs for construction workers, electricians, biomass suppliers, plant operators, and support staff, and save as much as to \$1.6 billion in fuel costs.

We recommend that the December 31, 2015, sunset on the Oregon Clean Fuels Program be lifted to create market stability and regulatory certainty for fuel importers, alternative fuel providers, businesses, and consumers. In addition, we recommend the following programmatic changes to help the Oregon Clean Fuels Program strengthen Oregon's economy and mitigate risks to consumers:

- Include a cost containment mechanism to protect consumers;
- Ensure transparency in customer information, supply and pricing;
- Maintain the regional approach to the carbon intensity methodology of transportation fuels;
- Increase the state's energy resiliency during short and long-term fuel disruptions.

The Oregon Clean Fuels Program will help the state and businesses save money on operations and fuel, create jobs for Oregonians, develop an emerging market, and further energy security in the state. Oregon has long been a leader on this front. Continuing the program makes sense for consumers, for businesses, and for the overall state economy both now and well into the future.

Clean Fuels Advisory Committee Members

Robert Carrick, Daimler North America

Jill Eiland, Intel

John Mohlis, Oregon State Building Trades

Margaret Kirkpatrick, NW Natural

Gary Young, IBEW Local 48

Bob Levy, Windy River

Darren Engle, Blue Star Gas

Neil Koehler, Pacific Ethanol

Gavin Carpenter, Sequential Biofuels

Ryan Deckert, Oregon Business Association

Justin Zeulner, Portland Trail Blazers

Scott Folk, Roseburg Forest Products

Curtis Robinhold, Port of Portland

Susan Robinson, Waste Management

Joe Gonyea, III, Timber Products Company

Ex-Officio Member

Tony DeBone, Deschutes County Commissioner