



May 3rd, 2021

Representative Pam Marsh, Chair
House Committee on Energy and Environment

RE: SB 314

Dear Chair Marsh and committee members:

Climate Solutions is a regional non-profit working to accelerate clean energy solutions to the climate crisis. Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization working to protect our water, air and land with healthy solutions that work for today and future generations.

We only support the provisions in SB 314 concerning electric utility investments in electric vehicle infrastructure. However, we have great concern over and oppose the provisions that would support investment in CNG infrastructure for natural gas utilities and we respectfully request that those provisions be removed from the bill.

The EV portion of SB 314 would ensure the Public Utility Commission has clear authority to allow regulated electric companies to invest in the electrical infrastructure to facilitate wide-scale deployment of EV charging. **However, the EV language in this bill that we support is already in another bill moving forward this session, HB 2165, making this bill likely unnecessary for expanding EV infrastructure and harmful because – unlike HB 2165 – it expands gas infrastructure too.**

The transportation sector comprises the largest portion of greenhouse gas emissions in Oregon – roughly 40% - and those emissions are growing. Recognizing this challenge, in 2019, the Legislature passed an important bill, SB 1044, that established ambitious statewide goals for vehicle electrification and zero emission vehicles (by 2025, at least 250,000 registered motor vehicles, and by 2035, at least 90% of all new motor vehicle sales).

Widespread, reliable deployment of EV charging stations is essential to efficiently serve the growing fleet of electric vehicles (EVs) on Oregon roads and enable Oregon to achieve its ambitious zero emission vehicle goals from SB 1044. Electric vehicle adoption has continued to grow in Oregon and the nation despite the novel coronavirus pandemic but it needs to accelerate significantly. Grid infrastructure must be built today to support and integrate electric vehicle chargers at residential, commercial, and public spaces in partnership with communities, businesses, governments, transit agencies, and equipment providers. As the grid grows cleaner and reaches 100% clean and carbon-free electricity over the next two decades, the climate benefits will continue to increase. No similar advantages of this magnitude are possible for the gas system.

Unlike, the electric vehicle sector, there is no need for added guidance to the PUC around Compressed Natural Gas (CNG) infrastructure. The PUC already received guidance from the legislature for utility

investments in renewable natural gas via SB 98 (RNG, a.k.a. biomethane). CNG vehicles are higher emitting and utilize methane gas, a fossil fuel, to run. To achieve Oregon’s greenhouse gas reduction goals, we should not be supporting the development of greenhouse gas-emitting methane gas infrastructure.

Additionally, the promise that this CNG infrastructure will all use RNG in fueling is hard to square with the extremely limited amount of RNG potential that even exists in Oregon. The Oregon Department of Energy (ODOE) has identified the maximum potential of RNG that exists in Oregon to replace existing levels of natural gas use in 2018 to be 22%. However, as ODOE notes in their RNG report, “not all of this potential is feasible as 79 percent is derived from thermal gasification potential – a technology that is not operational anywhere in the U.S.” As the ODOE RNG report makes clear, the total potential RNG from anaerobic digestion in Oregon could only replace 4.5% of existing natural gas use in the state as of 2018, not the higher level of natural gas that is growing every year. The report also makes clear that there isn’t enough RNG to replace fossil gas in a gas system that continues expanding annually either. **The ODOE report states that, as of 2018, “the state’s current CNG transportation needs could consume 100 percent of the RNG potential available from anaerobic digestion.”**

This bill charging all natural gas ratepayers to subsidize the expansion of gas infrastructure is predicated on assuming an unrealistic level of renewable natural gas can fuel it. If that level of RNG doesn’t materialize, there are no sideboards in SB 314 to stop the fueling being backfilled with fossil gas instead.

The recent development of the renewable diesel industry in Oregon further pushes any need for additional CNG vehicles to the curb. Renewable diesel is a plug and play fuel that displaces conventional diesel fuel **at virtually no added cost and with no need for any new or additional infrastructure**. It also reduces GHG emissions in vehicles by up to 70 percent, as compared to CNG, which only reduces GHG emissions by around 20 percent. And from a cost perspective, renewable diesel is cheaper than conventional diesel at the pump in Oregon whereas CNG infrastructure adds significant new costs.

Due to these compelling benefits of renewable diesel as compared to CNG/RNG, Oregon’s public fleets and even some of its private fleets are quickly converting to 100% renewable diesel and not to new CNG infrastructure. This also enables a true drop-in bridge fuel that’s cleaner and doesn’t require investments in new infrastructure until zero emission electric options are available. Examples of large diesel users that have committed to switching to renewable diesel include City of Portland, Multnomah County, TriMet, Port of Portland, PGE, EWEB, Titan Freight and AM Transport. The Legislature should be encouraging expansion of electric vehicles and for existing vehicles to use renewable diesel (until electric options are available)– not investing in new CNG/RNG vehicles and infrastructure at this juncture, which are destined to be stranded assets.

Sincerely,



Meredith Connolly
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Climate Solutions



Sara Wright
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