

Submitter: Craig Zollner
On Behalf Of:
Committee: Senate Committee On Energy and Environment
Measure: SB803
March 3, 2022

Chair Janeen Sollman

Vice-Chair Lynn Findley

Members of the Senate Committee on Energy and Environment

Re: SB 803 ignores shortage of renewable diesel and potential supply chain challenges

Chair Sollman:

My name is Craig Zoller and I operate S&M Truck Line Inc based out of Salem, OR. We are a local, family-owned trucking company that hauls primarily groceries and bulk food products in the Northwest region and have been in operation since 1982.

I urge you to oppose SB 803, which would ban nearly all diesel fuels in Oregon.

While I recognize that this bill seeks to force a shift to renewable diesel, an exciting emerging alternative “drop in” fuel for Oregon trucking companies, the narrow nature of the mandate included in the bill, as well as the significant supply issues for renewable diesel, ignore the realities of implementing such a mandate.

SB 803 would ban the sale of petroleum diesel on a regional basis beginning in 2026 and encompassing the entire state by 2030 in an attempt to force the fuel industry to switch to renewable diesel as the fuel choice for all on-road diesel applications. While many Oregon carriers have been actively looking for supplies of renewable diesel, given it doesn't require expensive investment in new equipment and its use is only limited in extremely cold weather conditions, current supply does not meet that demand.

Renewable diesel supply shortages simply will not be improved in the three short years when this bill would go into effect. There is not currently enough renewable diesel available to meet Oregon's fuel demands and this bill will not send a "market signal," so supply will somehow become available. Production of renewable diesel is limited, and to date Oregon DEQ has denied permitting a facility in our state.

We at S&M Truck Line have faced those challenges in sourcing renewable diesel firsthand. In fact, only one of our five fuel vendors currently supplies renewable diesel, and even then the volume is limited and can only support a very small portion of our fleet's demand. I fear that not nearly enough research and development is being done to fulfill the current demand, let alone the future demand should renewable diesel be a requirement.

Further, Oregon already provides incentives and regulations to drive a transition to more renewable transportation fuels. This effort has been accelerated by the Governor's Executive Order 20-02 and recent changes to the Clean Fuels Standard. SB 803 would create a duplicative program that would only add to the cost of product for Oregon consumers.

If SB 803 were to pass, fuel shortages would have a significant impact on Oregon's trucking industry and supply chains for all Oregon consumers. I ask you and your committee to oppose this short-sighted, dangerous proposal and vote no on SB 803.

Sincerely,

Craig Zollner

S&M Truck Line Inc.