

February 2, 2015

Senate Committee on Environment and Natural Resources
Oregon State Capitol
900 Court St. NE, Room 347
Salem, OR 97301

Re: Support for SB 324: Clean Fuels Program

Dear Senate Committee on Environment and Natural Resources Chair and Members:

As business people in the low-carbon fuel industry, we are enthusiastic for Oregon's Clean Fuels Program (CFP) as a vehicle to help stimulate production of clean, domestic fuels and creation of jobs in Oregon and the United States. Our businesses are working to deliver products that would supply low carbon fuel to this attractive market. We are writing to urge your support for this important bipartisan initiative, and **support Senate Bill 324**.

Our business plans and investments allow us to sell competitively priced fuel with reduced carbon intensity, assuming there is an Oregon market that provides a monetary incentive for those reductions. In order for our businesses to continue to scale, we depend on the market certainty that the CFP can provide.

Market certainty provides investors with the signals they need to put capital to work. A recent study by Environmental Entrepreneurs found that nationwide, there are already 800 million gallons of capacity available to produce fuel that reduces carbon emissions by at least 50 percent. Nearly \$4 billion has been invested in advanced biofuels since 2007, which will result in **1.0 – 1.7 billion gallons of production capacity by 2017**. This increased commercial capacity will allow our businesses to drive down the cost curve, producing fuels at a cost between \$0.50 and \$3.50 per gallon.

The CFP is technology neutral, which means many fuels – biofuels, natural gas, electric vehicles and propane – can provide carbon emission reductions. By encouraging new market entrants and competition, consumers will win with better prices and cleaner air.

An economic study on the Clean Fuels program, by Jack Faucett Associates, shows our businesses could provide as many as 29,000 Oregon jobs by keeping the billions spent on fuel at least partially in-state through constructing clean fuel infrastructure, hiring distributors, building new retail stations, selling and maintaining new types of vehicles and other jobs to support the clean fuels sector. This includes rural agricultural jobs for the production of sustainable feedstocks.

A recent study by International Council on Clean Transportation found that the goals of the CFP, together with similar programs in California, Washington and British Columbia, are obtainable given fuel availability today and into the future.

In order to realize these benefits, we urge you to remove the 2015 sunset date. The sooner the full ten-year program is in place with certainty, the sooner we can realize the value of providing low carbon fuels to the Oregon market.

We commend you for your individual and collective leadership and for your efforts to steer Oregon and our nation along a path to a cleaner transportation future and stronger economy. Thank you for your consideration.

Sincerely,

Wes Bolsen
Cool Planet Energy Systems

Jeremy Mall
Abengoa

Eric Bowen
Renewable Energy Group

Loula Merkel
Coskata

Rob Elam
Propel Fuels

Lisa Mortenson
Community Biofuels

Graham Ellis
Solazyme

Shelby Neal
National Biodiesel Board

Todd Ellis
Imperium Renewables

Graham Noyes
Low Carbon Fuel Coalition

Bob Epstein
E2

Harrison Pettit
Pacific Ag

Fernando Garcia
Amyris

Russ Teall
California Biodiesel Alliance
Biodico

Virginia Klausmeier
Sylvatex

Ian Thomson
Western Canada Biodiesel Alliance

Ted Kniesche
Fulcrum

Paul Zorner
Finistere Ventures