



Pacific Ethanol, Inc.
Columbia Plant

Chair Helm, members of the committee, my name is Daniel Koch and I'm the Plant Manager for Pacific Ethanol's facility in Boardman, located at the Port of Morrow. I'm here to testify in opposition to House Bill 3386. Rolling back the clean fuels program in Oregon will not only affect our long term climate change goals but it will also have a negative economic impact on the region.

The facility in Boardman began operations in August of 2007 and has remained in operation ever since. The facility has 36 full-time employees who earn a living wage as well as supporting additional jobs at the connected CO2 capture facility. We also support the ongoing employment of over 20 truck drivers who drive roughly 800 hauls a month from our facility for regional deliveries.

Our plant proudly supplies a connected third-party CO2 plant, which provides a local option for cold storage and bottling plants in the region. This process further helps close the loop of our operation.

The state of Oregon's support for clean fuels has allowed us to survive, invest and expand at our facility, and continued support will allow us to further invest and expand creating more jobs in Rural Oregon.

We have a deep and personal understanding of Oregon's unique position. Over the past several years, as Pacific Ethanol has made decisions about investing new capital at our plants, we've invested most heavily in California in specific technologies and improvements that reduce the carbon intensity of our product. Why? Because the market for cleaner, lower-carbon fuels is secure in California under its low carbon fuel standard. The market there has developed to the point where our customers seek and pay for transportation fuel based on its carbon score. With these process technologies we are producing a superior product that is good for our customers and for the communities in which the plants operate. We know we can make similar incremental investments to achieve the same in Oregon – but we need the regulatory certainty that the Clean Fuels Program can provide. Rolling back the program will create an element of uncertainty that Pacific Ethanol must consider when choosing where it will make ongoing investments.

I have heard from some that there is a blending wall in the market which will create natural shortages of ethanol. As the market for low carbon fuels stabilizes and the threat of legislative gutting of the program goes away, we will see investments in

71335 RAIL LOOP DRIVE
BOARDMAN, OREGON 97818
TEL. 541.945.4950
FAX. 541.481.2735
www.pacificethanol.com



Pacific Ethanol, Inc.
Columbia Plant

technologies to continue to lower carbon intensity. Ethanol already has a nationally approved blend rate of up to 15%, and auto manufacturers are producing cars to be fully warranted at these higher percentages. A blend wall does not exist and is not a problem today or into the future.

Without clean fuel options, Oregonians are sending more than \$6 billion out of state each year to import gas and diesel. By capturing even just a small fraction of those fuel dollars and keeping them here at home, we can create thousands of jobs and have a significant impact on our local economy.

I urge you to oppose HB 3386. Clean Fuels in the long term is good for Rural Oregon.

71335 RAIL LOOP DRIVE
BOARDMAN, OREGON 97818
TEL. 541.945.4950
FAX. 541.481.2735
www.pacificethanol.com