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**Testimony before the U.S. Senate Committee
on Environment and Public Works**

**“The Environmental Protection Agency’s Renewable Fuel
Standard Program: Challenges and Opportunities”**

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February 16, 2022

The Clean Fuels Program is one of Oregon’s most successful statewide policies for addressing the state’s contribution to global climate change. The program began in 2016 and thus far, the program’s success and progress can be summarized in three distinct outcomes:

First, companies that are producing biofuels are making those fuels more cleanly and delivering them in greater volumes to Oregon. The carbon intensity of the ethanol and biodiesel Oregon uses has decreased, and we’ve seen significant increases in the blending of biodiesel and renewable diesel in recent years. Renewable forms of diesel, natural gas, propane, and electricity have all entered the Oregon market since the beginning of the program and have emerged as commercially viable and cost-effective replacements of their fossil versions. Electricity will become increasingly important as new regulations and incentives for vehicles and infrastructure are implemented. All of these fuels have played an important role in reducing about 6 million tons of lifecycle greenhouse gas emissions so far and displacing over 1 billion gallons of fossil fuels.

Second, the transition from fossil fuels to biofuels and electricity is reducing tailpipe pollution and improving the public health of Oregonians. In addition to reducing greenhouse gases, low-carbon fuels also emit less carbon monoxide, nitrogen oxides, and particulate matter compared to fossil fuels. Reducing these pollutants has saved Oregonians millions of dollars in avoided health costs over the years. This is especially important for Oregon’s historically overburdened communities that are located near major transportation corridors, multimodal facilities, and distribution hubs.

And third, the program has spurred innovation and investments without impacting the price at the pump. The program has fostered a \$100-million-plus-a-year market where investments are being made

to increase the production of lower-carbon fuels, spark new innovations in technology, and invest in infrastructure to deliver these fuels across the state. These investments have allowed the transition from fossil products to cleaner fuels to happen without any significant rise in retail or wholesale fuel prices when compared to our neighboring states; even those that have not had similar fuel regulations. In fact, the program has lowered the cost of many low-carbon fuels and has created a powerful financial incentive to decarbonize the transportation sector.

The Clean Fuels Program that we have created here in Oregon takes the best parts of the federal renewable fuel standard and combines it with the best parts of a low carbon fuel standard. The renewable fuel standard creates the base demand for biofuels that are needed to begin the transition towards lower-carbon fuels and the low carbon fuel standard ensures that the lowest of the low-carbon fuels comes to Oregon. Participants can stack the value of credits from the renewable fuel standard with the credits from the low carbon fuel standard as both are needed to provide the necessary incentives to fuel providers to continue to lower their carbon intensities. The market also benefits from the long-term regulatory certainty from low carbon fuel standard programs that have targets established through 2030, and Oregon is currently in a rulemaking that will establish standards through 2035.

But we have not done this alone. Oregon has benefitted greatly from being a signatory to the Pacific Coast Collaborative. Since 2013, British Columbia, Washington, Oregon, and California have worked together to harmonize best practices for policy alignment, program design, and implementation to create the largest market for cleaner, lower-carbon fuels. And this collaboration has grown to other states that are also looking for smart strategies to reduce transportation emissions – ones that can build on strong federal support of the agriculture and biofuels industry, zero emission vehicle standards, and investments in electric vehicle charging and alternative vehicle fueling infrastructure.