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December 18, 2019

Mayor Ted Wheeler and City Commissioners Eudaly, Fish, Fritz, and Hardesty
1220 SW Fourth Ave.
Portland, OR 97201

RE: Support for restarting the City of Portland Renewable Fuel Standard –

Dear Mayor Wheeler and Members of the Council,

For the record my name is Ian Hill, co-founder of SeQuential Biodiesel. I am here today to testify in support of updating Portland's Renewable Fuel Standard for better alignment with the State's Clean Fuel Program and the City's Climate Action and renewable energy goals.

SeQuential is a vertically integrated biodiesel company, meaning that we collect the raw material that we need to make our primary product and sell our finished products directly to end users. In our case the primary raw material or feedstock that we use is used cooking oil from the restaurant and food industry. The feedstock or oil collection section of the business operates in 5 states up and down the west coast. We currently serve over 20 thousand food establishments including approximately 20% of the restaurants in OR. The material that we collect is not only used for making ultra low carbon biodiesel. But also some of the material that is not suitable for efficiently making biodiesel is excellent feedstock for anaerobic digesters or making renewable natural gas. We currently supply this high energy waste material to most of the digesters in OR.

In the Fall of 2018 we merged with a CA biodiesel producer, Crimson Renewables. Our combined annual capacity is over 50 million gallons a year and growing.

When we look at how the City of Portland is to achieve its important carbon emissions reduction goals, one of the greatest challenges will be reducing emissions from the transportation sector. Transportation related emissions make up approximately 40% of our carbon emissions. Electrification of our transportation is an effective means of significantly reducing emissions in the passenger and light duty vehicle fleet. However, the heavy duty and freight segments are more difficult to electrify and will take longer to do so, perhaps decades.

Thanks to the State of Oregon's robust Clean Fuel Program, OR now measures and quantifies full life cycle carbon emissions from all transportation fuels consumed in OR. Any transportation fuel that is either produced or imported into OR has to have a carbon intensity value or CI assigned to it by the Department of Environmental Quality. For example, the average petroleum diesel fuel imported into OR has a CI of 100.74 (source OR OEA 2020 Fuel Forecast for OR CFP) and the average CI of the biodiesel that was imported into OR last year was 35.40. The fuel that SeQuential makes in Salem has a CI value of 14.7 an 85% reduction in carbon intensity compared to the baseline petroleum diesel. The point here is that we have the ability to dramatically reduce our transportation carbon emissions quickly with current technology.

But there is still a market access problem. After 100 plus years of being the only transportation option available to consumers, displacing the petroleum fuels out of the marketplace is difficult. That is why there is a role for the City of Portland and a Renewable Fuel Standard.



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In summation, we strongly support the moving of authority over the City's Renewable Fuel Standard to the Bureau of Planning and Sustainability. It is time for the City to restart this program and look to expand it because the clock is ticking on reducing our carbon emissions and we have the technology to make significant progress now.

Thank you for the opportunity to provide testimony in support of a Renewable Fuel Standard for the City of Portland.

Sincerely,

Ian Hill
Co-founder SeQuential
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IanH@chooseSQ.com

189820

Amend Motor Vehicle Fuels Code to move authority to establish, revise and enforce standards for biofuels sold in the City to the Director of the BPS

If you wish to speak to Council, please print your name, address and email

Name (PRINT)	Address and Zip Code (Optional)	Email (Optional)
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✓ Ian Hill		