



## **Biodiesel Fuels Bill Floor Speech**

**February, 26, 2007**

Mr. Speaker, esteemed colleagues and assembled guests, I rise in support of House Bill 2210.

The first Oregon gold rush began in earnest about one-hundred-and-fifty years ago. The discovery of gold along the Columbia River gave rise to the evolution of varied industry, significant population growth and shortly thereafter, Oregon statehood. I say the 'first' Oregon gold rush because with the passage of this measure, biofuels and the larger investment category of clean technology could constitute a modern-day sequel.

The new wave of American innovation is based on place more than process, firm or industry. In a world of increasingly mobile capital, it is places with uniquely compelling characteristics that attract the entrepreneurial talent and investment capital necessary to thrive. In this competitive environment, we must maximize Oregon's capacity to innovate—not just once or twice, but over and over, across communities and industry clusters.

The current emphasis on place-based innovation is especially evident in the venture capital market for biofuels. To an unprecedented degree, venture capital firms are financing specific biofuel projects directly rather than financing core technologies or industrial processes. Earlier this month, a biodiesel start-up in Washington State headed by a former Microsoft executive announced it had closed \$113 million in equity financing and a \$101 million line of credit—one of the largest investments in the rapidly-growing clean technology sector. That's the type of local, entrepreneurial investment this measure will encourage; without it, venture capital dollars will flow to bordering states, leaving Oregon high and dry.

According to the 2006 Cleantech Venture Capital Report on North American venture capital investing, devotion to the clean technology segment is on the upswing—with alternative energy representing upwards of 70% of industry investment. Just to put the potential boon to our economy in perspective, during the dot-com bubble era of 1999-2001, up to 3% of all venture capital was carved out for clean tech investments. That commitment inched up to a high of 6% from 2002 to 2005. By 2009, the report suggests it will jump to 10% of all venture capital

investment activity. That amounts to between \$6.2 billion to \$8.8 billion invested as venture capital firms go to the markets to raise capital in an estimated 1,000 rounds between 2006 and 2009.

Oregon has all the requisite characteristics to become a hotbed of biofuels and clean technology investment: intellectual firepower and entrepreneurial talent; a progressive environmental history; and a strong culture of innovation. Even though the gold in Oregon rivers and mountains eventually ran out—the impact of the gold rush era lives on. The state was shaped by the risk-takers who stayed and helped make Oregon a place of expansive opportunity. Alternative energy is now the third-largest venture capital investment category. I want to thank the good representative from Portland for her leadership on this issue, and urge you to vote 'Aye' on House Bill 2210 to ensure today's Oregon entrepreneurs can take full advantage of this new opportunity to make their fortunes from the earth.

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