AGENDA

Agriculture, Forest, Fisheries, Rural Communities, and Tribes Work Group

September 21, 2017
10 AM – 11:45 AM
Hearing Room 50 State Capitol (ground level)

https://www.oregonlegislature.gov/citizen_engagement/Pages/Legislative-Video.aspx

Welcome and Introductions – Senator Michael Dembrow and Representative Ken Helm

Work Group Charge and Questions and Guiding Principles – Representative Ken Helm

Background Presentations:

- *Overview of Cap-And-Invest Policy*

  Colin McConnaha, Senior Climate Policy Advisor, Department of Environmental Quality

- *How Does Cap-And-Invest Affect Rural Economies and Communities?*

  Kathie Dello, Associate Director, Oregon Climate Change Research Institute

  Peter Weisberg, Senior Portfolio Manager, The Climate Trust

  Roger Gray, CEO, Northwest Requirements Utilities

- *How Do Offsets Work?*

  Sean Penrith, Executive Director, The Climate Trust

  Carina Miller, Confederated Tribes of Warm Springs

Roundtable Work Group Discussion – All

Opportunity for Public Comment

Wrap-up and Next Steps – Representative Ken Helm

Adjourn

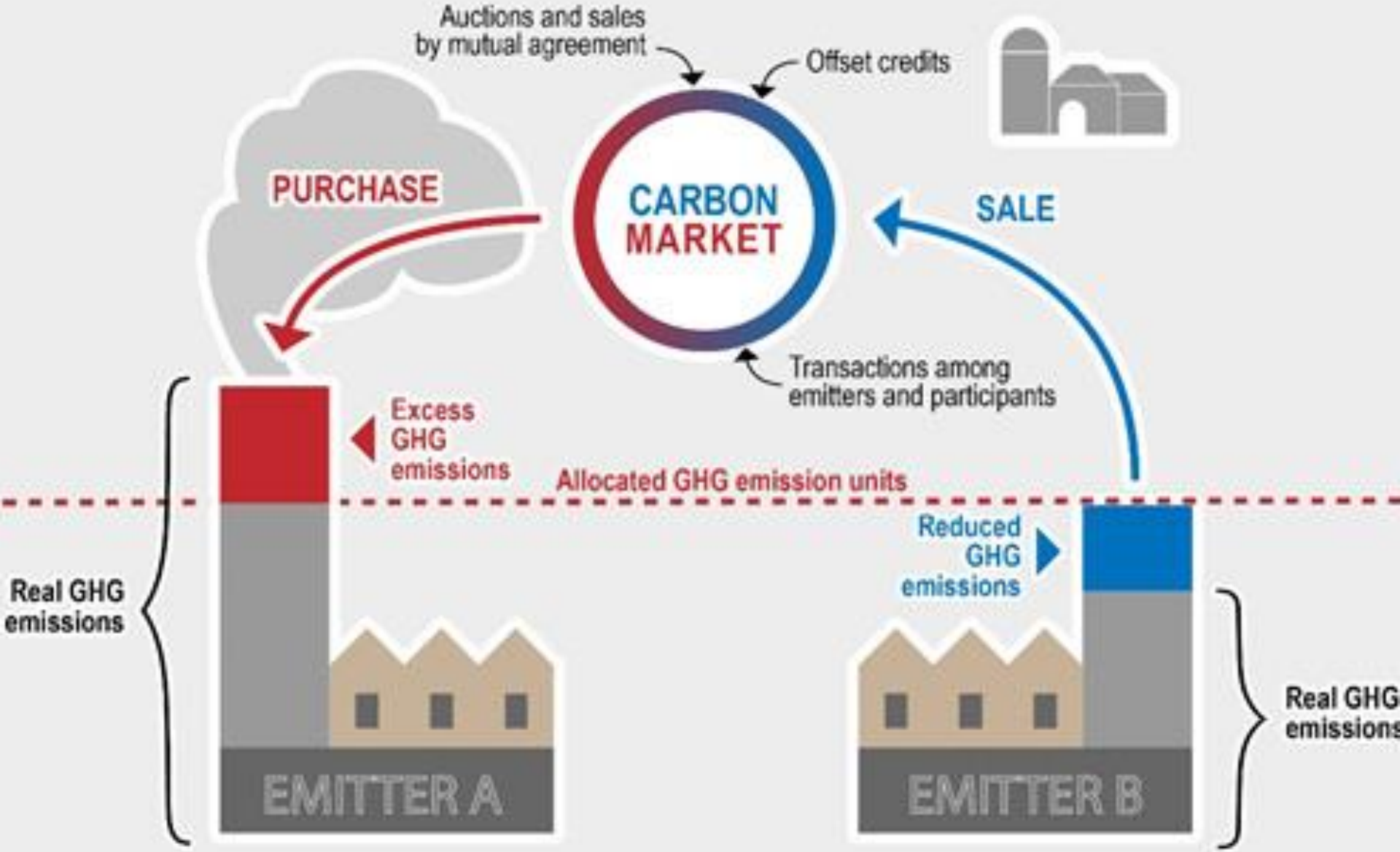
Presentation on GHG Cap and Trade Program (McConnaha, DEQ)

9/21/17

Greenhouse Gas Cap & Trade Program

Colin McConnaha, DEQ Senior Climate Policy Advisor

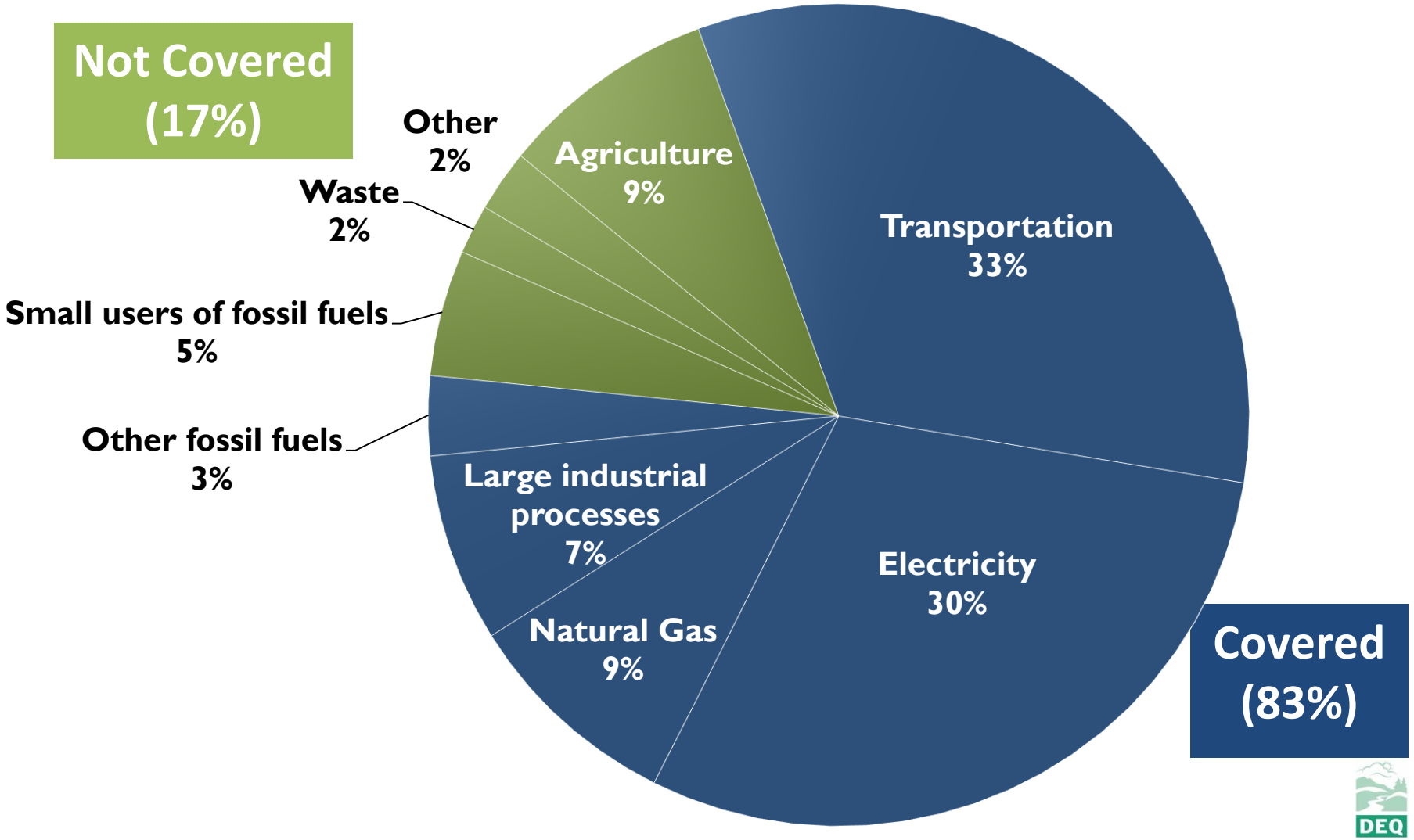
What is cap & trade?



Elements of a cap & trade program

- Scope
  - Point of regulation
- Emissions cap
- Allowance distribution
  - Revenue
- Cost containment
  - Offsets

Emissions covered by cap



Points of regulation

Transportation fuels
- Terminal racks
- Importers

Electricity
- In-state generators
- Importers

Natural gas
- Utilities
- Pipelines
- Large industrial users

High emitting facilities
- Industrial process
- Large natural gas users

Emissions cap

- Align with Oregon's GHG targets
- Cap declines over time
- Key consideration for linkage with other jurisdictions

Allowance distribution methods

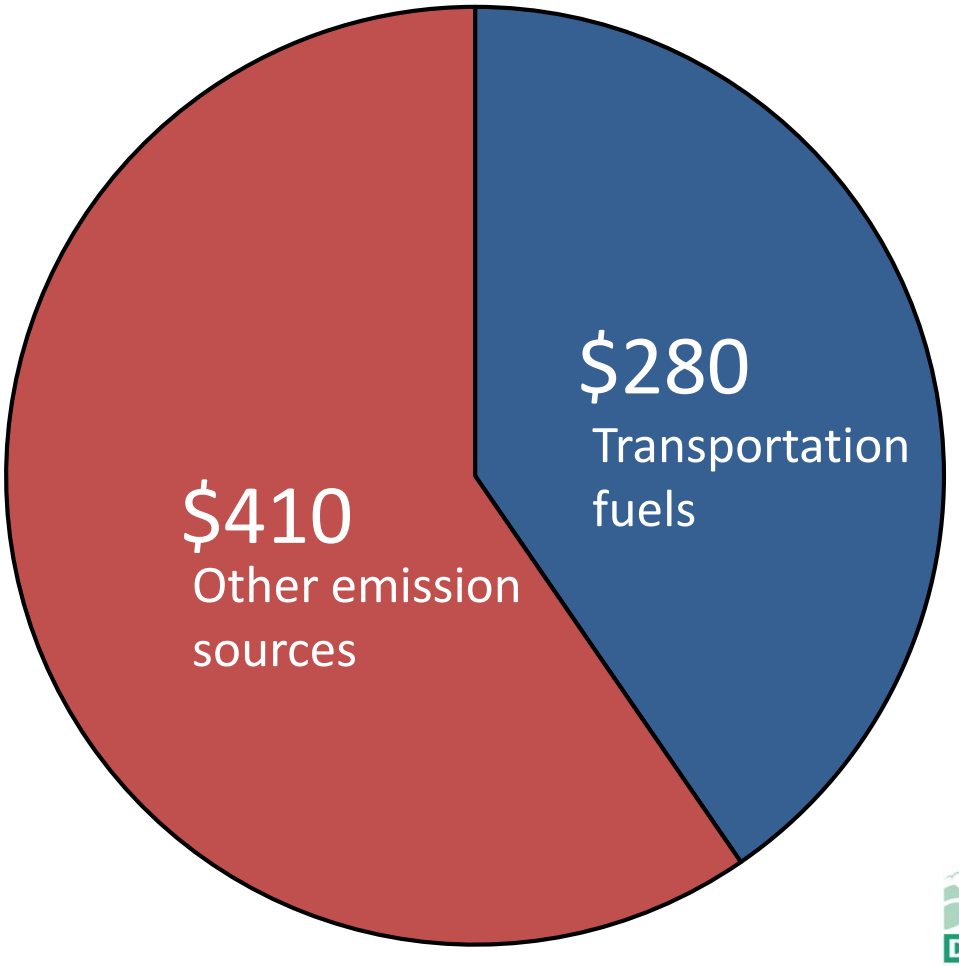
- Auction
- Free
- Consignment (hybrid)

Revenue

- Revenue from transportation may be restricted
- Remaining auction revenue could:
  - Benefit disadvantaged & rural communities
  - Minimize impacts to utility rates
  - Further reduce emissions
  - Other state priorities

Approx. revenue in 2021 ($millions)

VERY rough estimate of potential revenue generated by auction of allowances



Cost containment

- Banking
- Linkage
- Price floor
- Price ceiling
- Offsets

Questions?

Colin McConnaha, DEQ Senior Climate Policy Advisor

Presentation on Climate Change in Oregon (Dello, Oregon Climate Change Research Institute)

9/21/17

climate change in Oregon

Kathie Dello, Associate Director
Oregon Climate Change Research Institute
occri.net

key findings from 2017 report

- climate change will continue to impact the health of Oregonians, especially vulnerable populations,
- Oregon will continue to warm; we can now attribute some regional trends to human activity
- declining mountain snowpack is, and will have significant impacts on water resources
- increased coastal flooding and erosion
- ocean acidification
- shifting climates plus disturbances (fire, insects, diseases) will drive forest change
- short-term gains for agriculture, but long-term dependent on adaptations to heat and water
- recent climate events a practice run for the future

Eagle Creek Fire, September 2017

Kathie Dello, photo

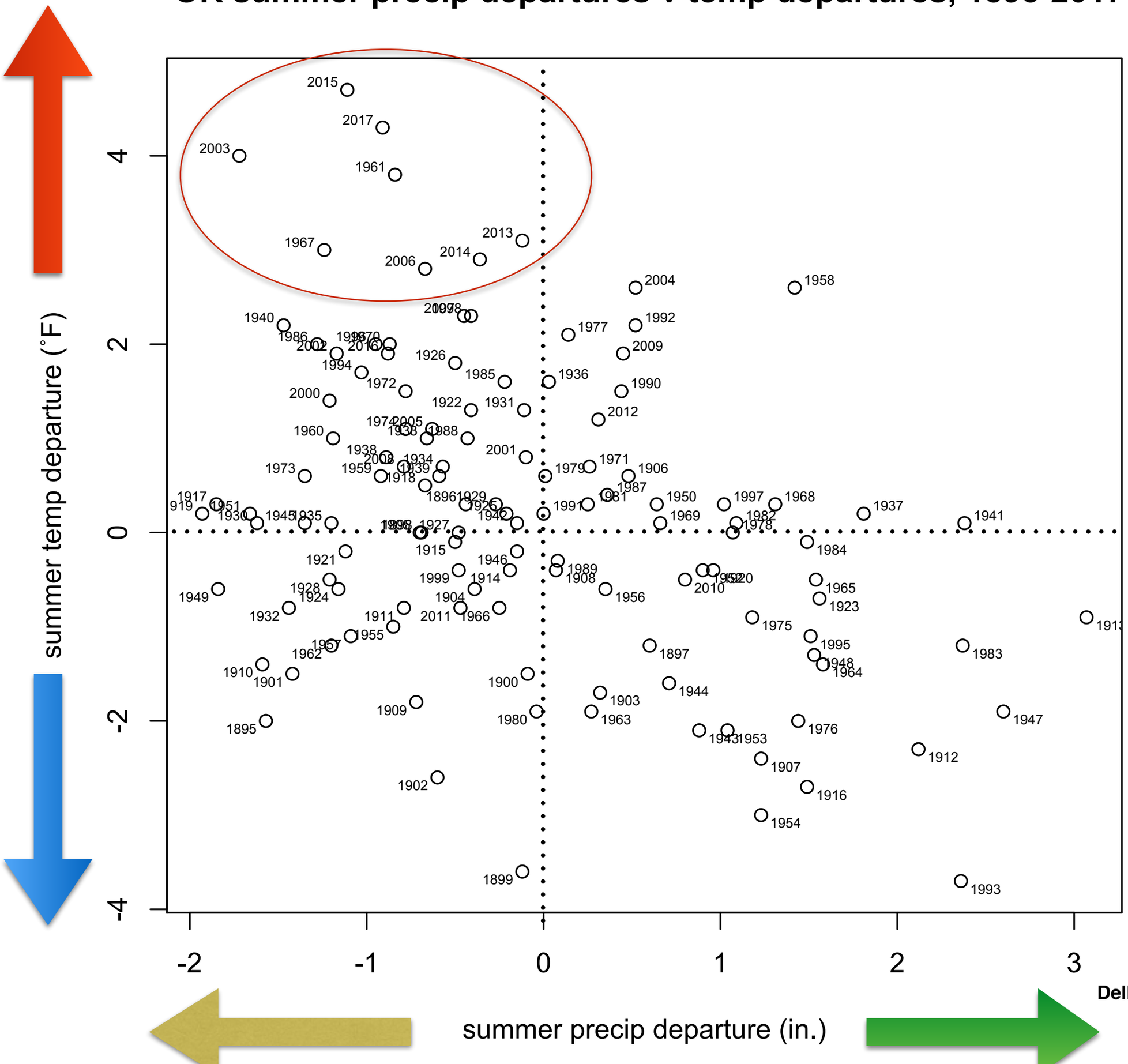
OR summer precip departures v temp departures, 1895-2017

summer temp departure (°F)

summer precip departure (in.)

Dello, 2017 (unpublished)

OR summer precip departures v temp departures, 1895-2017



OR summer precip departures v temp departures, 1895-2017

🔥 total acres burned ≥ 2002-2017 avg (NIFC data)

summer temp departure (˚F)

4
2
0
-2
-4

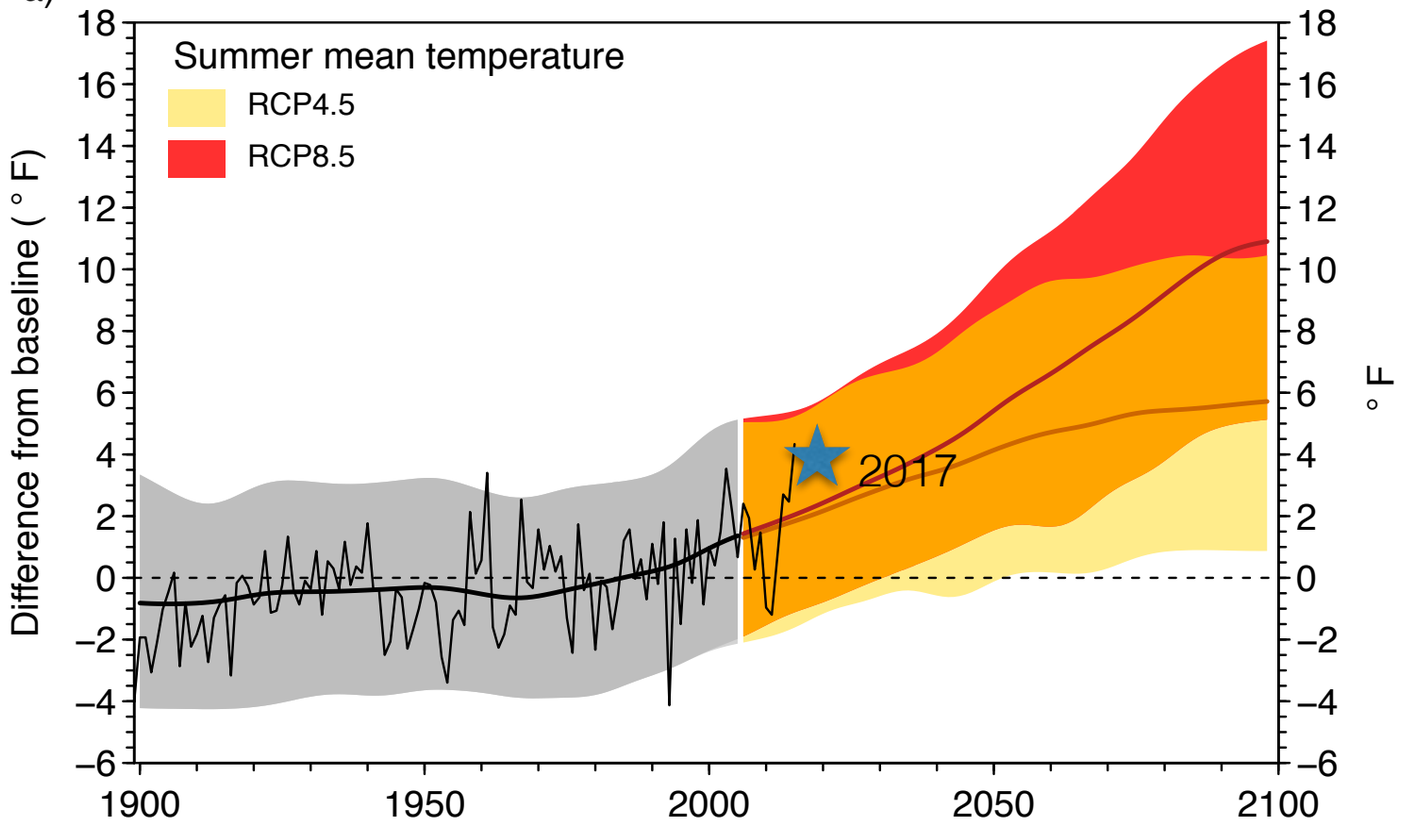
-2
-1
0
1
2
3

summer precip departure (in.)

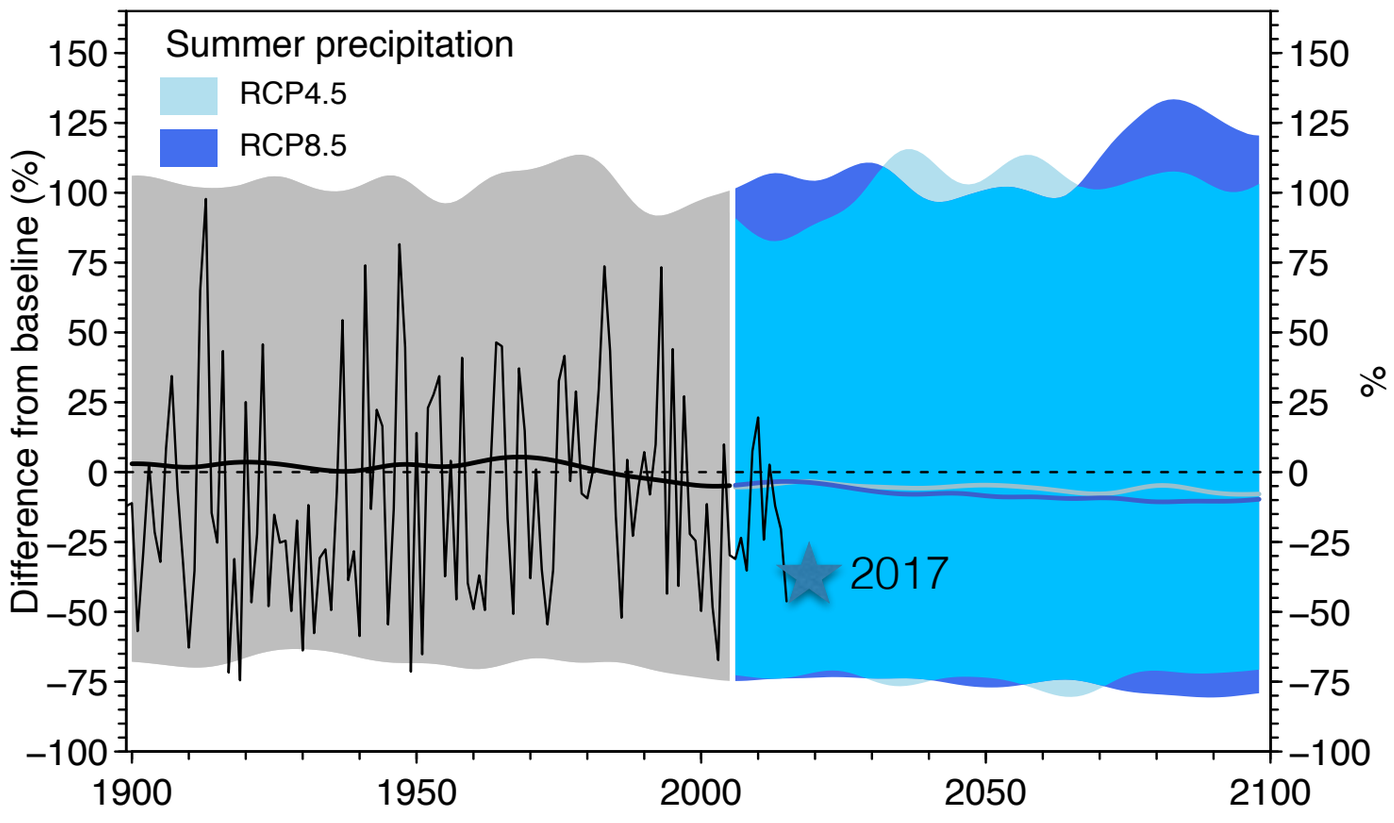
2015 2017 2003 1961 1967 2013 2014 2006 2004 1958 1940 1992 1977 2009 1926 1994 1985 1936 1990 2000 1972 1922 1931 2012 1960 2001 1938 1973 1959 1971 1979 1906 1987 1917 919 1951 1930 1945 1935 1950 1997 1968 1937 1941 1991 1969 1982 1978 1984 1921 1915 1946 1989 1908 1999 1914 1928 1924 1904 1956 2010 1965 1923 1949 1932 1911 2011 1966 1975 1955 1962 1897 1995 1983 1948 1964 1910 1901 1900 1944 1903 1909 1980 1963 1947 1895 1976 1943 1953 1912 1907 1902 1916 1954 1899 1993

Dello, 2017 (unpublished)

a)



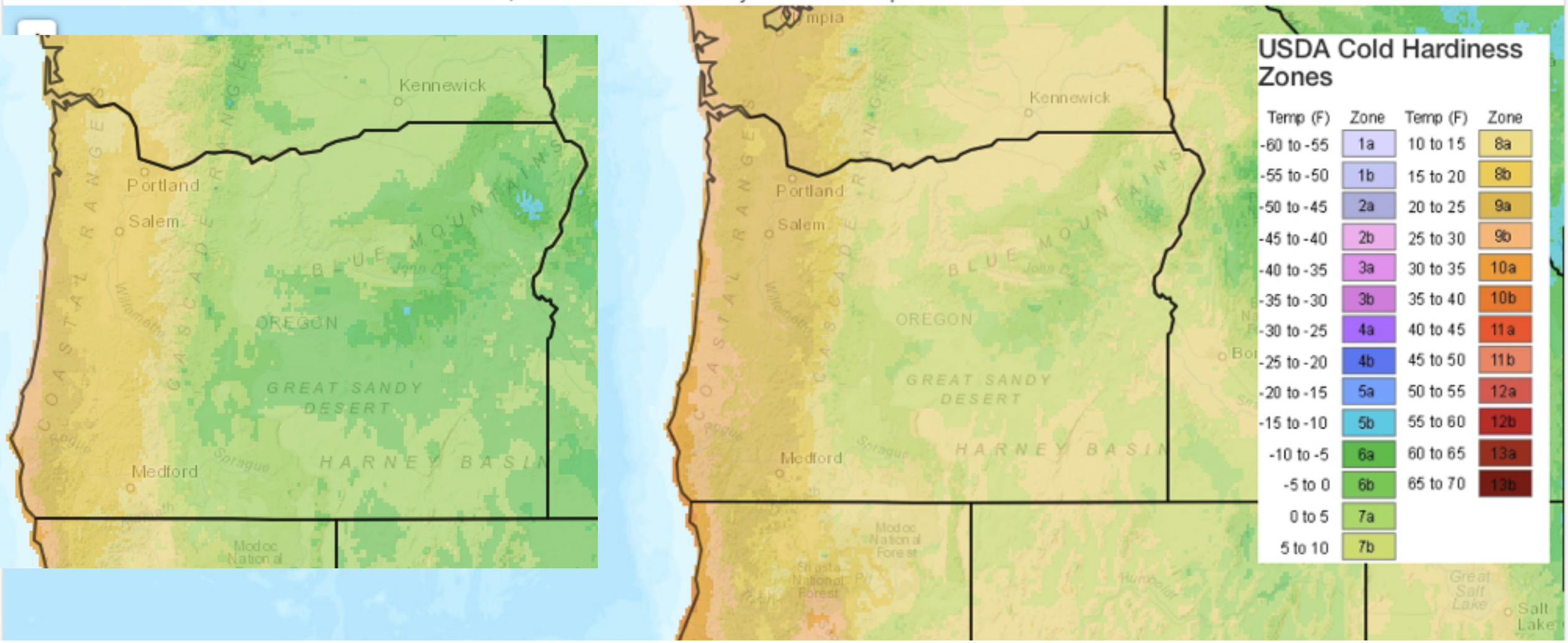
b)



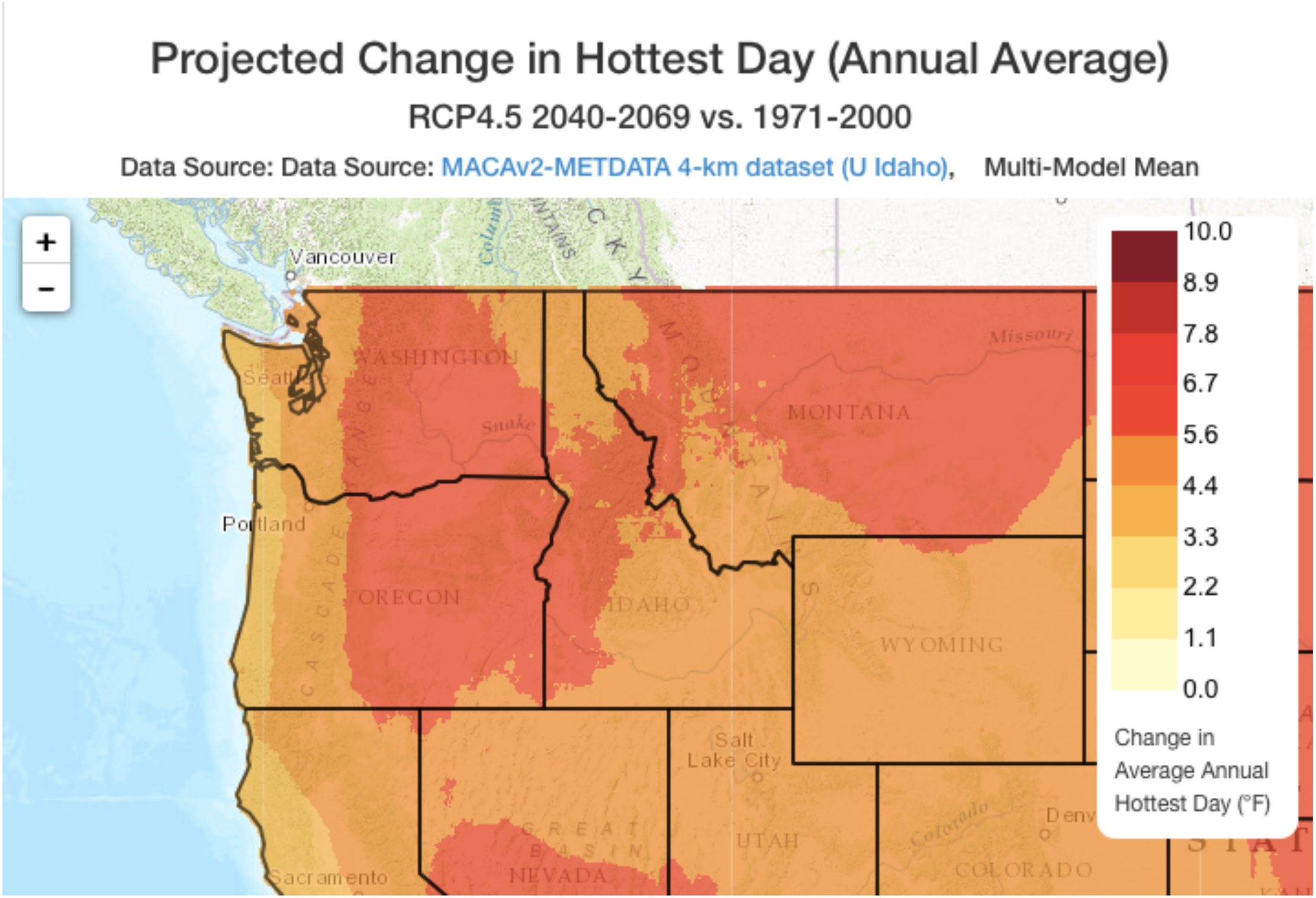
+2.2°F to +8.9°F by the 2050s

Source: Rupp et al. (2016), adapted for Oregon; Integrated Scenarios project

Ag impacts: historic (1971-2000) vs future high emissions (2050s)



ag, transportation, social impacts



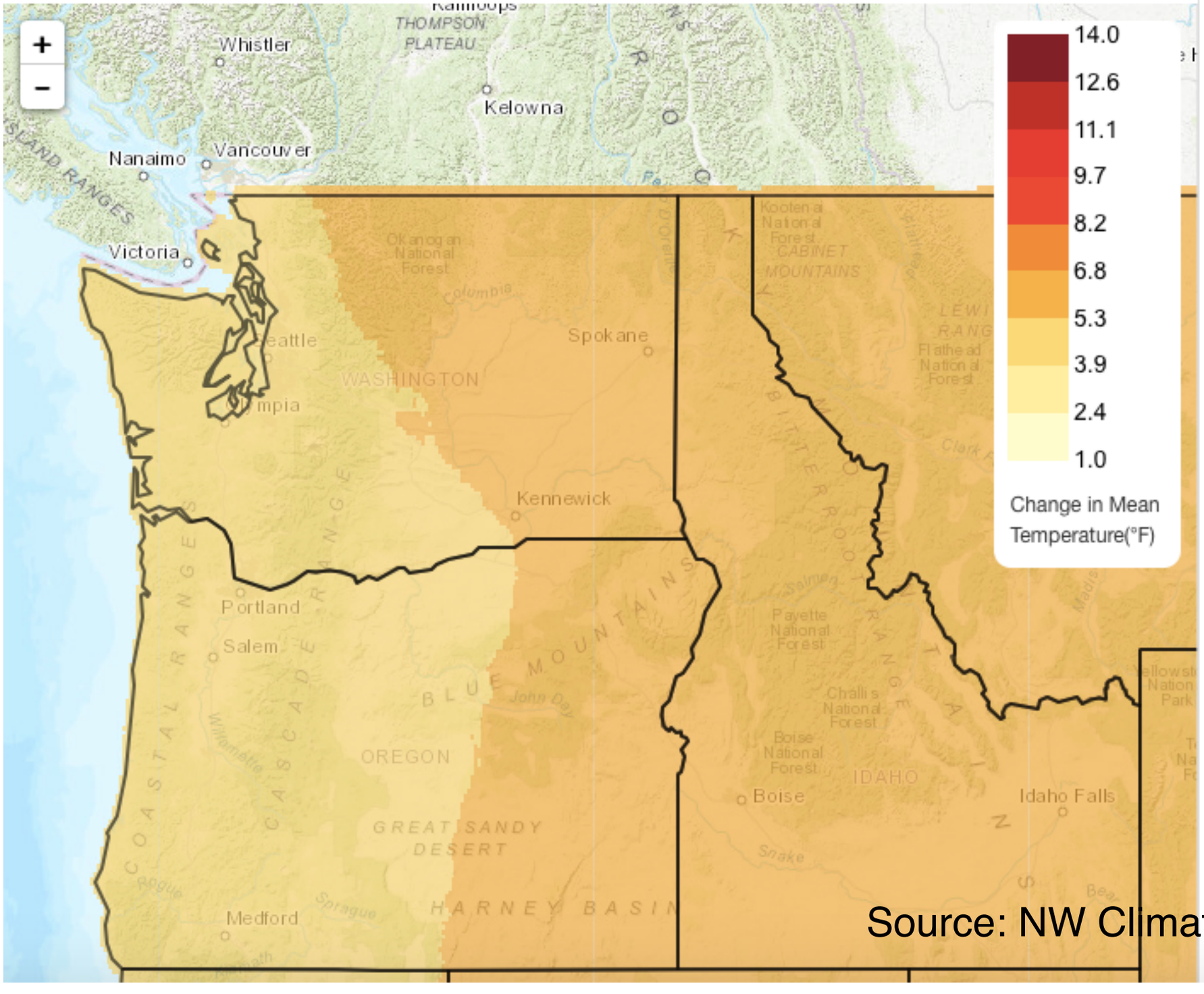
Source: NW Climate Toolbox

from Hoodoo web cam
February 23, 2015

Projected Change in Winter (Dec-Jan-Feb) Mean Temperature (°F)

RCP8.5 2040-2069 vs. 1971-2000

Multi-Model Mean

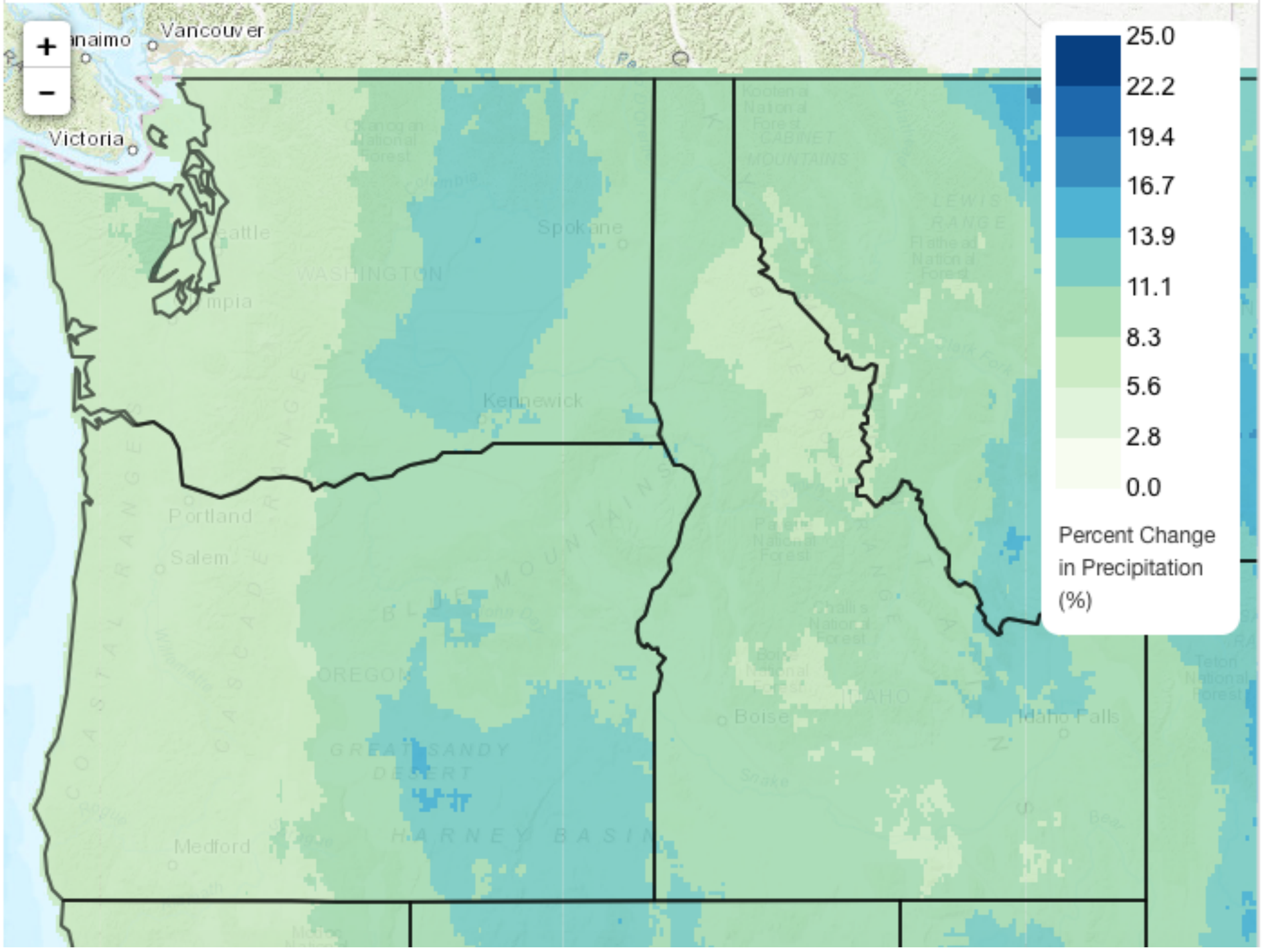


Source: NW Climate Toolbox

Projected Change in Winter (Dec-Jan-Feb) Precipitation (% of Normal)

RCP8.5 2040-2069 vs. 1971-2000

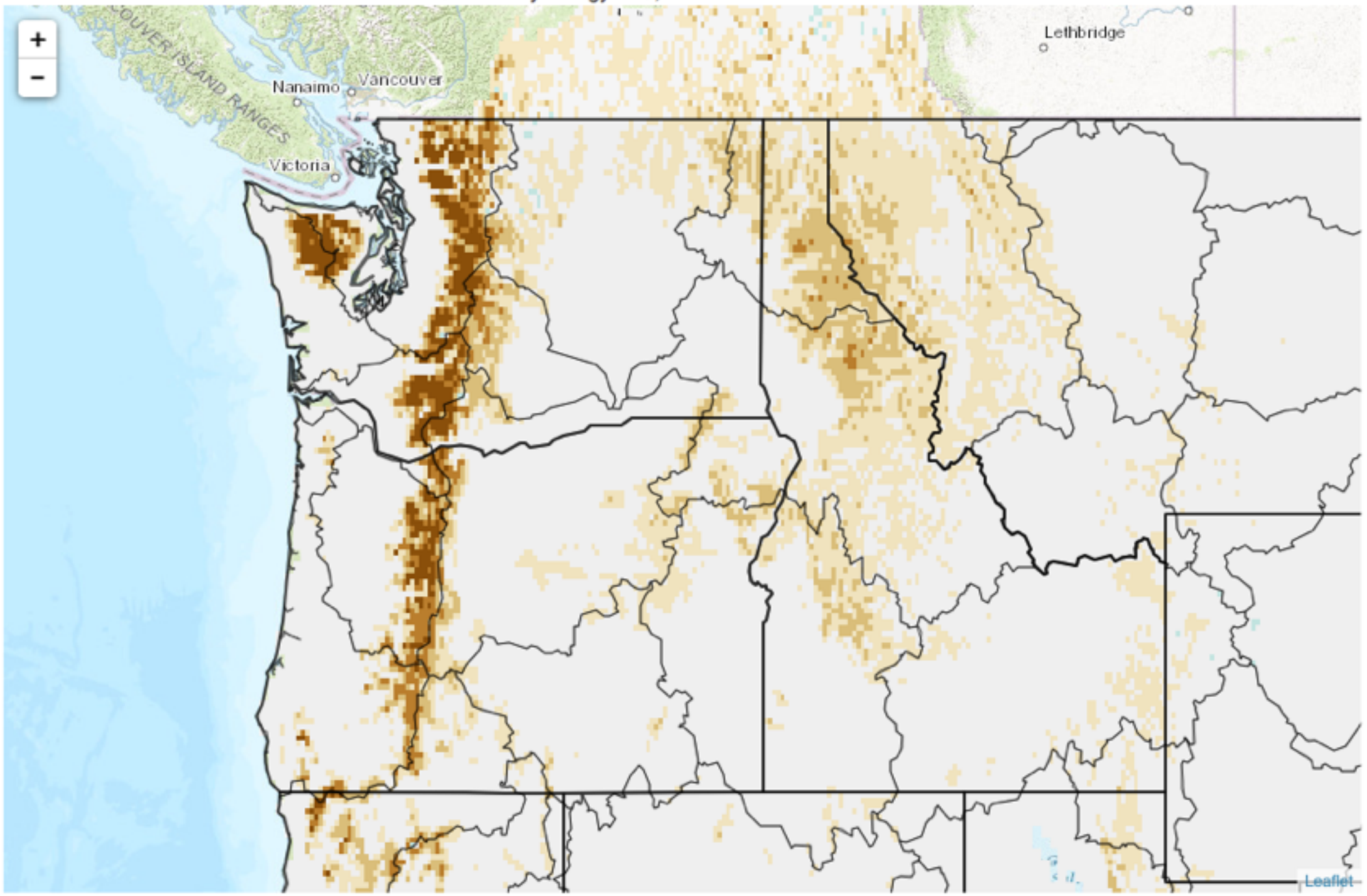
Multi-Model Mean



Projected Changes in April 1st Snow Water Equivalent

RCP8.5 2040-2069 vs. 1971-2000

Data Source: Hydrology: VIC, Multi-Model Mean



Source: NW Climate Toolbox

Population

3,400
1,100
500
0

Top threats on map

Clatsop Co.	3,407
Coos Co.	1,062
Tillamook Co.	485
Lincoln Co.	406
Clackamas Co.	251

Homes

1,600
600
300
0

Top threats on map

Clatsop Co.	1,572
Coos Co.	589
Lincoln Co.	406
Tillamook Co.	306
Clackamas Co.	134

Square miles of land

33 sq. miles
20 sq. miles
13 sq. miles
6 sq. miles
0

Top threats on map

Clatsop Co.	33 sq. miles
Coos Co.	20 sq. miles
Columbia Co.	15 sq. miles
Tillamook Co.	13 sq. miles
Multnomah Co.	9 sq. miles

Miles of road

60 miles
42 miles
11 miles
0

Top threats on map

Clatsop Co.	60 miles
Coos Co.	42 miles
Tillamook Co.	11 miles
Lane Co.	7 miles
Douglas Co.	6 miles

Sewage plants

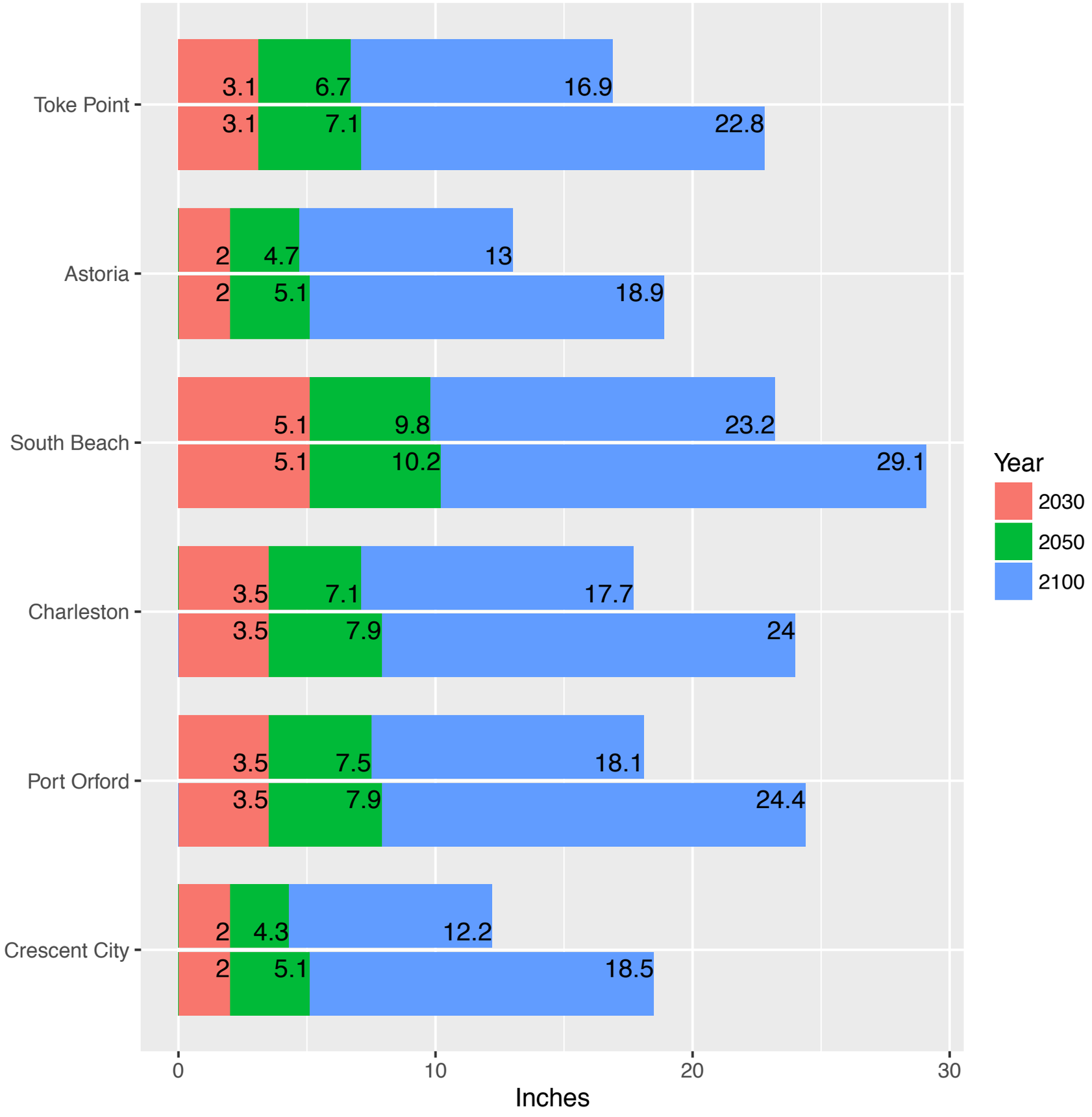
4
2
1
0
0

Top threats on map

Clatsop Co.	4
Tillamook Co.	4
Multnomah Co.	2
Lincoln Co.	2
Lane Co.	1

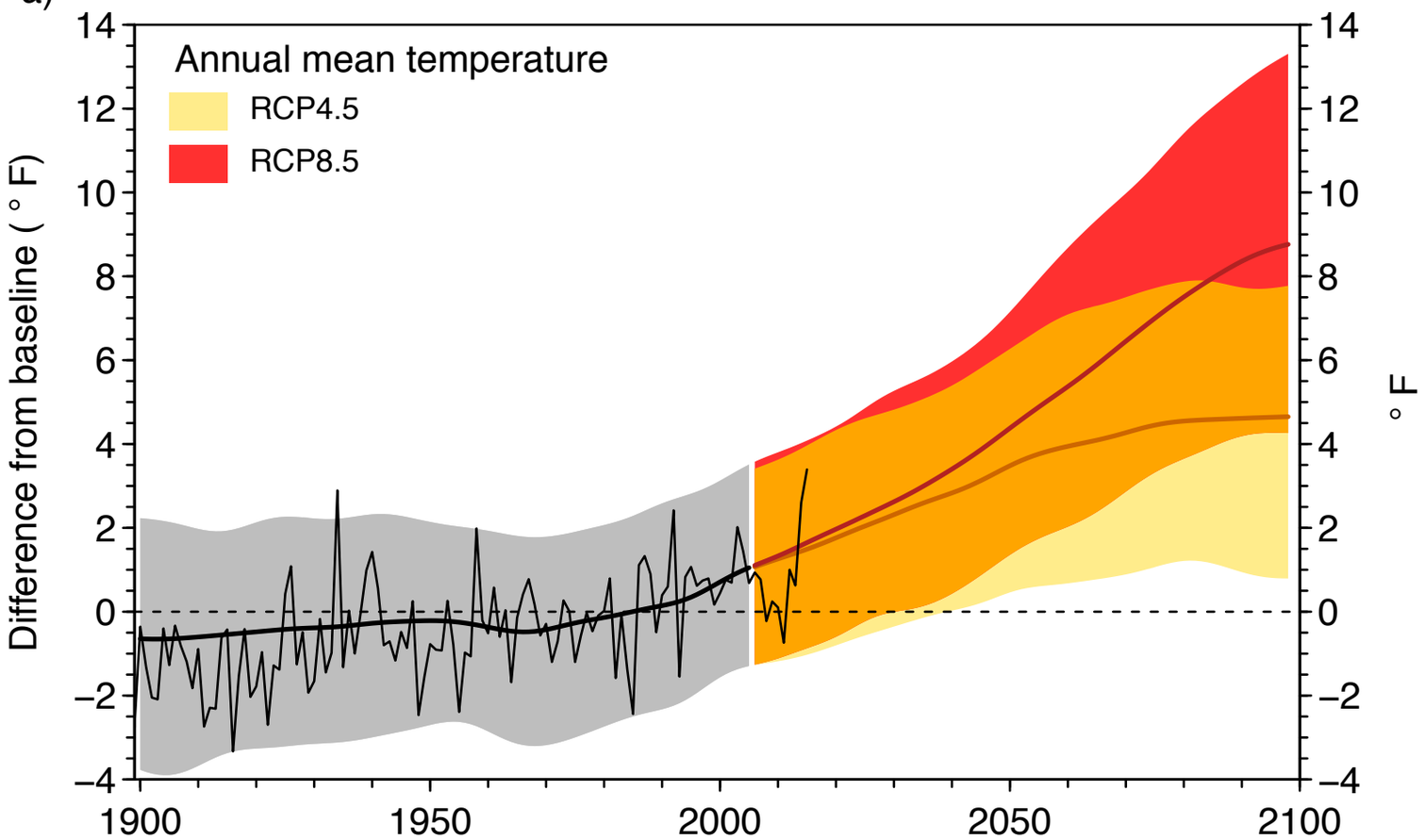
Source: Climate Central

Local Sea Level Rise Projections



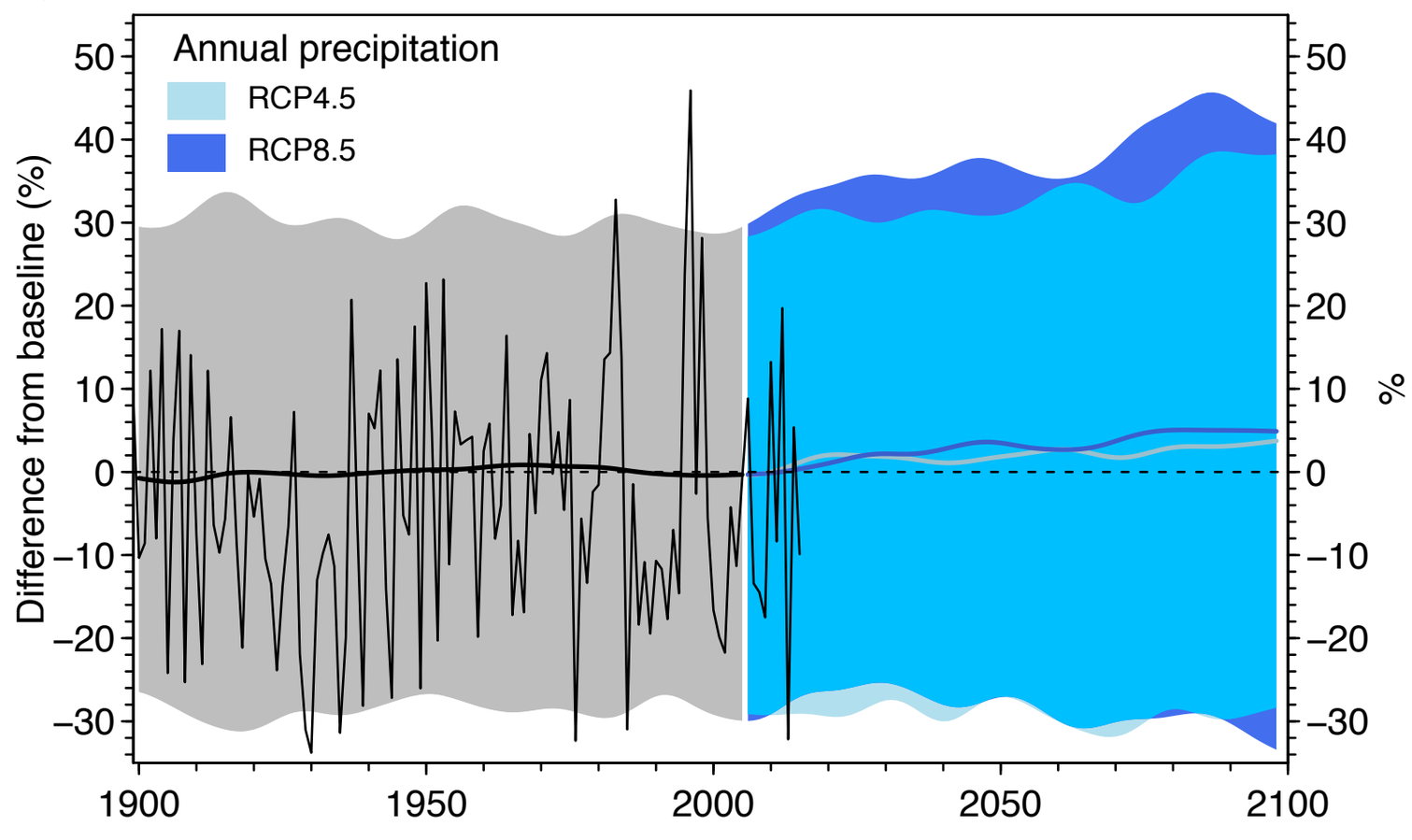
OCAR 2017

a)



+1.8° to +6.9°F by the 2050s

b)



–6.0% to +11.4% by the 2050s

Source: Rupp et al. (2016), adapted for Oregon; Integrated Scenarios project

summary

- climate change will continue to effect Oregonians
- Oregon will continue to warm in all seasons, especially summer
    - fire, snow, agriculture - temperature sensitive, cascading social, economic, and ecological effects
    - reducing global emissions will reduce warming
- big fire seasons in past 15 years tend to be hot, dry summers
- coastal impacts with global sea level rise and coastal flooding, crucial infrastructure at risk
- frame questions to “did climate change make this event/season more likely”

key findings

- climate change will continue to impact the health of Oregonians, especially vulnerable populations,
- Oregon will continue to warm; we can now attribute some regional trends to human activity
- declining mountain snowpack is, and will have significant impacts on water resources
- increased coastal flooding and erosion
- ocean acidification
- shifting climates plus disturbances (fire, insects, diseases) will drive forest change
- short-term gains for agriculture, but long-term dependent on adaptations to heat and water
- recent climate events a practice run for the future

Presentation on Cap & Invest: Rural Economic Development Opportunities (Weisberg, The Climate Trust)

9/21/17

THE CLIMATE TRUST

INVEST WITH PURPOSE

Cap & Invest:

Rural Economic Development Opportunities

Peter Weisberg
Senior Portfolio Manager
The Climate Trust

9/21/17

Cap and Trade Basics

To emit carbon, you must have a permit. Permits can be:

- **Allowances** – permits issued by the state
- **Offsets** – new emission reductions from unregulated sectors

THE CLIMATE TRUST

Presentation Outline

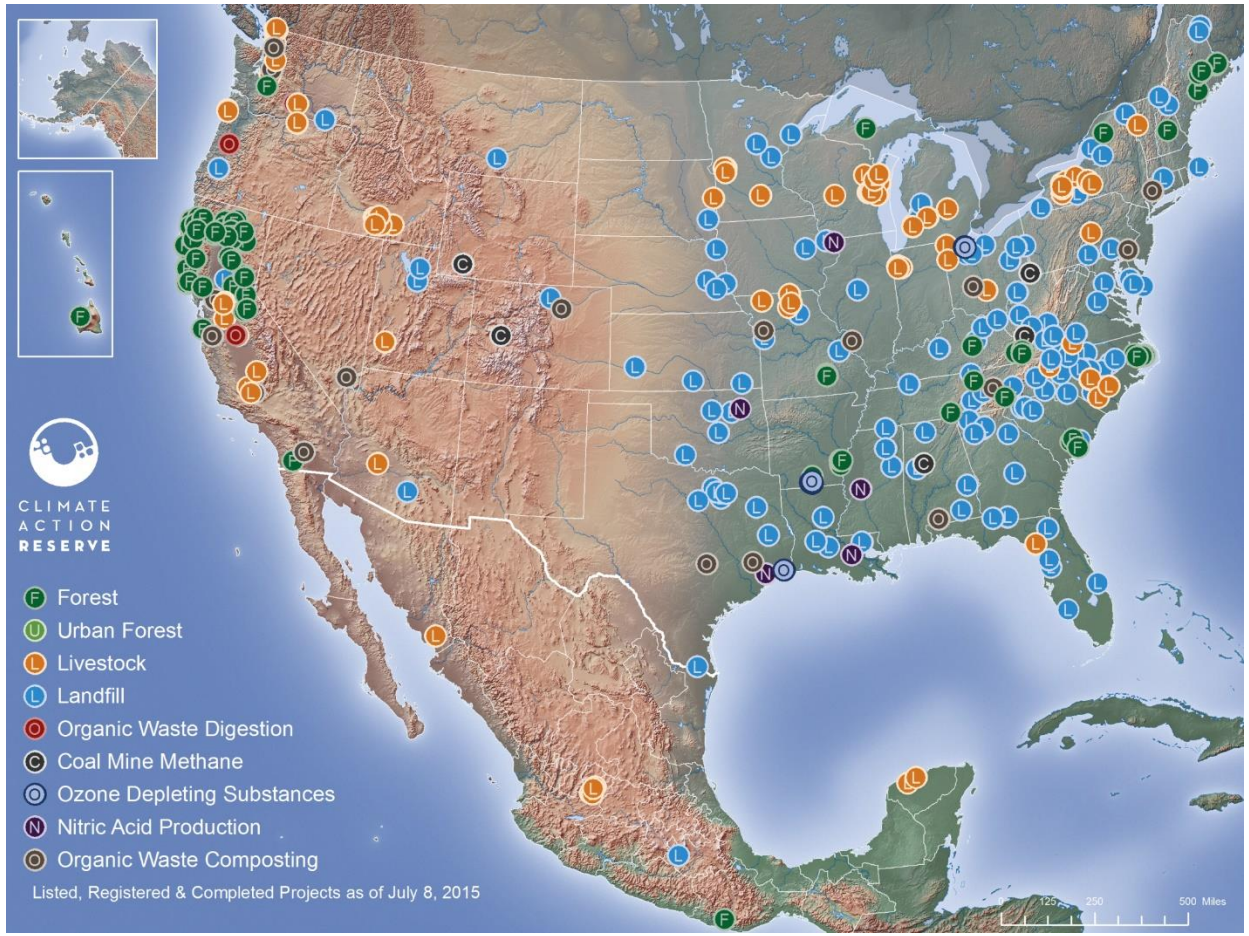
1. Offset project economic development opportunities
2. Allowance revenue economic development opportunities

THE CLIMATE TRUST

Offset project economic development opportunities

Offset Basics

- In a cap-and-trade systems, sectors that are not covered by the regulation can contribute greenhouse gas reductions.
- Uncapped sectors:
  - Forestry (improved forest management, avoided conversion, reforestation)
  - Agriculture
- Benefits:
  - Economic development opportunity for low-carbon innovations in rural places
  - Cost-containment



THE CLIMATE TRUST

Environmental integrity of offsets

THE CLIMATE TRUST

- Protocol defines
  - what projects ***qualify*** to generate offsets, and
  - how to ***quantify*** the offsets
- Protocol ensures reductions are real, permanent, quantifiable, verifiable, enforceable, and additional
- Annual process to generate cash flows for emission reductions:

The Climate Trust History

- Primary programs
  - **Oregon Program** – Retire offsets on behalf of Oregon utilities
  - **Northwest Natural Smart Energy** – Retire livestock digester offsets from the Pacific Northwest on behalf of NW Natural Customers
  - **Climate Trust Capital** – Invest early-stage, equity-like finance in forestry, anaerobic digester and grassland conservation projects in return for shared ownership of the resulting carbon offsets.

Key Metrics Dashboard

3.6 MILLION
Total tons greenhouse gas reduced

5.7 MILLION
Contracted emissions reductions (tons)

$5.5 MILLION
Fund I dollars to deploy

$34 MILLION
Total committed to projects

53
Total projects

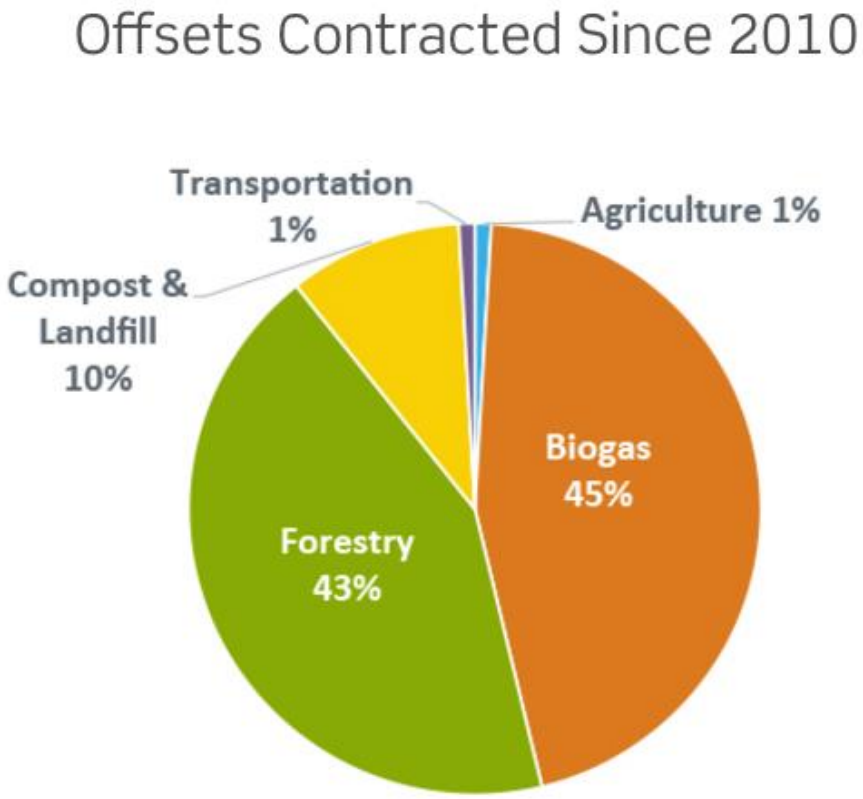
$5.5 MILLION+
Second anticipated deployment

TCT Portfolio

- Biogas
- Agriculture
- Compost & Landfill
- Forestry
- Renewable Energy
- Energy Efficiency
- Transportation
- Material Substitution

The Climate Trust Forestry and Agricultural Work to Date

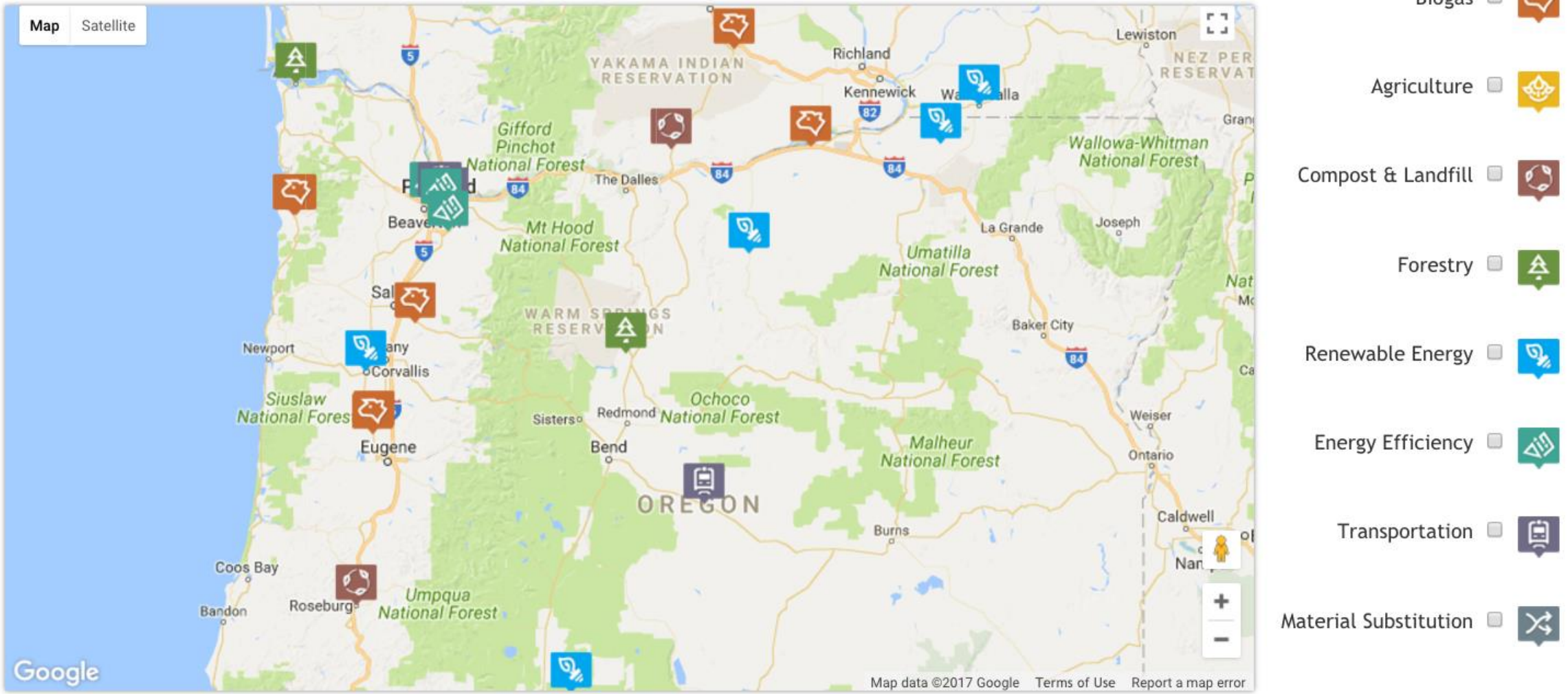
- Offset projects occur in uncapped sectors → forestry and agricultural projects in rural communities.
- $7.3 million invested in Clatsop, Tillamook, Lane, Morrow and Yamhill Counties
  - Forestry: $2 million
  - Dairy Digesters: $5.3 million



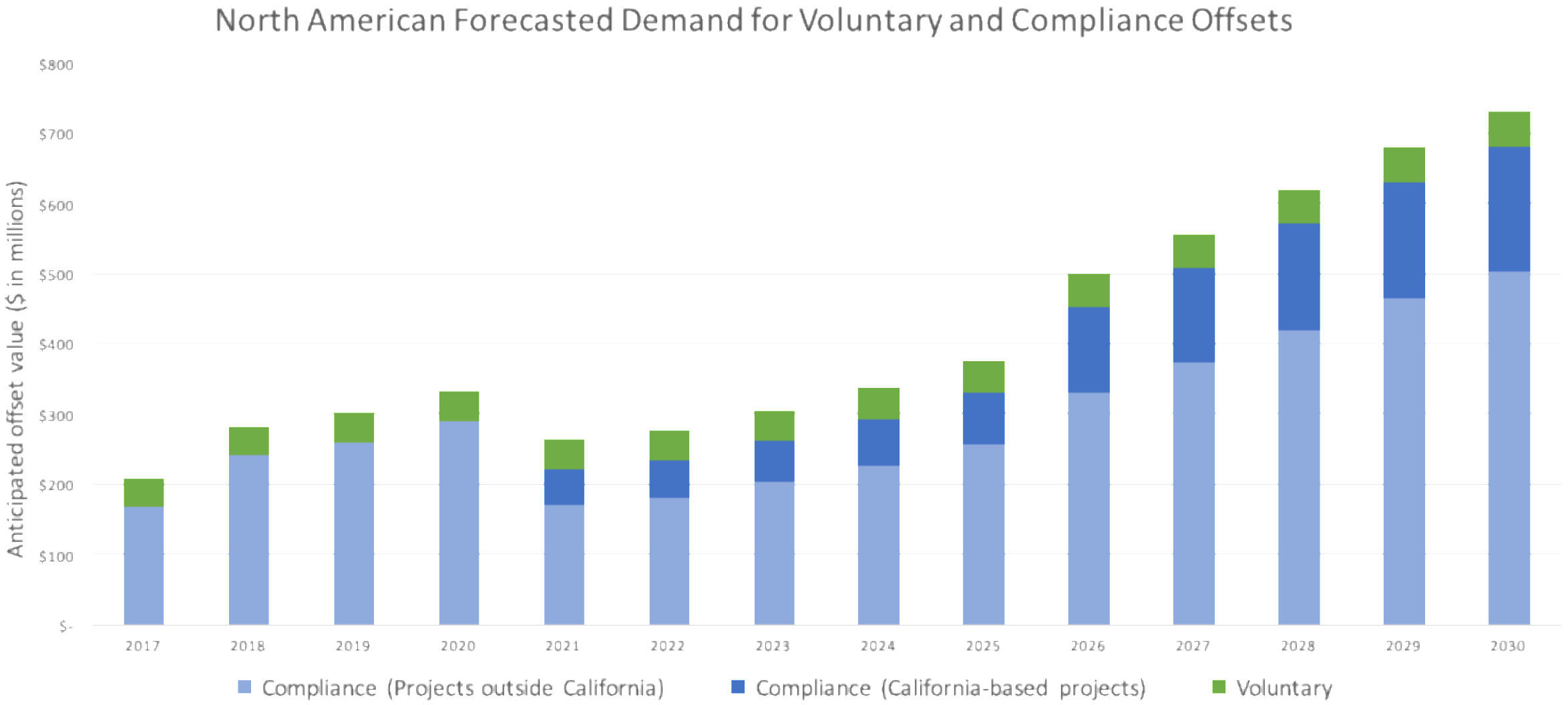
THE CLIMATE TRUST

Oregon Portfolio

55% of Oregon Standard funding has been spent on offset projects in Oregon.



- Biogas
- Agriculture
- Compost & Landfill
- Forestry
- Renewable Energy
- Energy Efficiency
- Transportation
- Material Substitution



Compliance Offset Market - $5.1 billion in demand ($1.1 billion for California projects)

Voluntary Offset Market - $633.3 million in demand

THE CLIMATE TRUST

No forestry project in Oregon has issued offset credits for compliance with California's market

"The national distribution of projects generally matches the distribution of private forest land in the US, with the notable exceptions of Oregon (no projects) and Washington State (one project). Sustainable forest management rules mandated by the offset program are stringent and may reduce the fraction of projects in regions with less stringent versions of such rules."

Anderson C.M., Field C.B., and Mach K.J. 2017. Forest offsets partner climate-change mitigation with conservation. Front Ecol Environ.

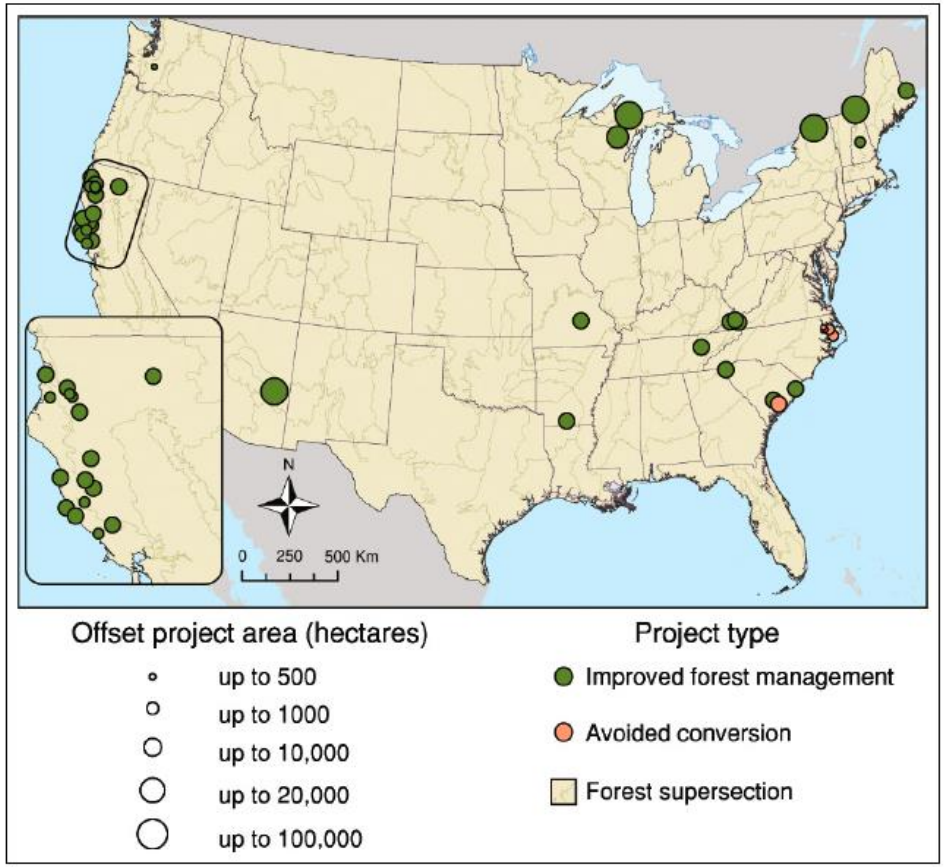


Figure 2. Forest offsets are sold in the California cap-and-trade market, but the forest projects themselves can be located anywhere in the contiguous US. There are currently 39 credited offset projects, accounting for more than 349,000 hectares of forest land in both improved forest management (green circles) and avoided conversion (peach-colored circles) projects. Background map depicts forest supersection, which is used for calculating baseline forest carbon. Circle size corresponds to project size.

North American Compliance and Voluntary Carbon Offset Market

California Air Resource Board Protocols:

1. Livestock digesters
2. Forestry
3. Ozone depleting substances
4. Coal mine methane capture
5. Rice cultivation

Climate Action Reserve Protocols:

1. Grassland conservation
2. Nutrient/nitrogen management
3. Composting

Verified Carbon Standard Protocols:

1. Wetlands
2. Avoided deforestation of tropical forests

American Carbon Registry Protocols:

1. Forestry aggregation
2. Livestock management
3. Compost additions to grasslands
4. Carbon capture and storage

Compliance Market
$5.1 billion demand through 2030

Voluntary Market
$633 million demand through 2030

Climate Trust Capital

- Provide early-stage, equity-like financing for projects in return for shared ownership of the resulting carbon offsets.
- Invested in Nature Conservancy to purchase of a conservation easement on grazing land in Wallowa County.

CLIMATE TRUST CAPITAL

Allowance revenue economic development opportunities

Allowance Revenue Basics

- When emitters pay to pollute, the revenue can accrue to
  1. Emitters (allowances are “allocated” or given away for free)
     - Pro: Protects leakage prone industry.
  2. Citizens (allowances are sold and the revenue is returned to citizens)
     - Pro: Builds citizen support. Potentially combats regressive effects.
  3. Government reinvestment (allowances are sold and the revenue is reinvested in greenhouse gas mitigation)
     - Pro: Lowers long-term costs of meeting climate goals. Prepares Oregon to take part in the growth of the low-carbon economy.

THE CLIMATE TRUST

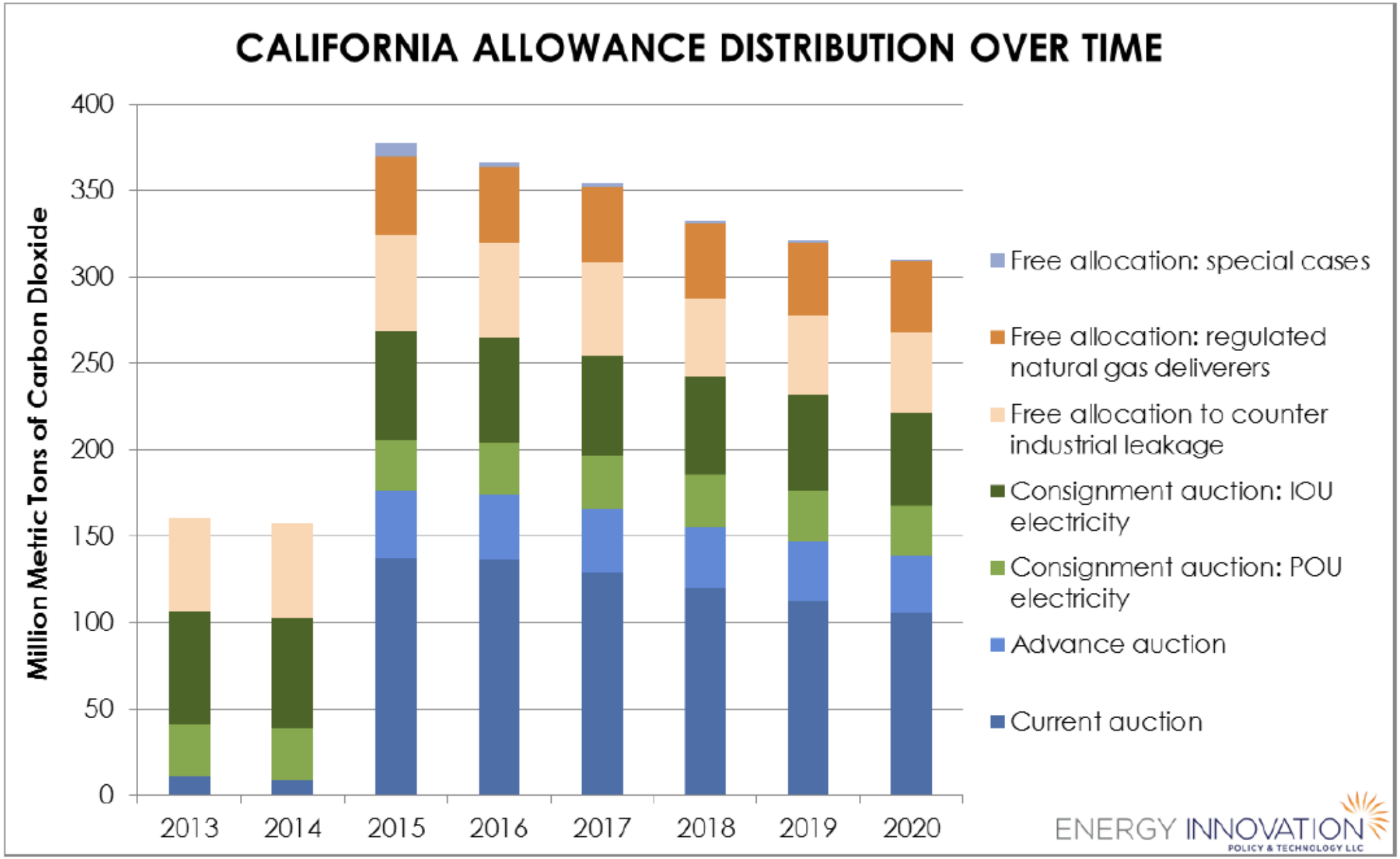
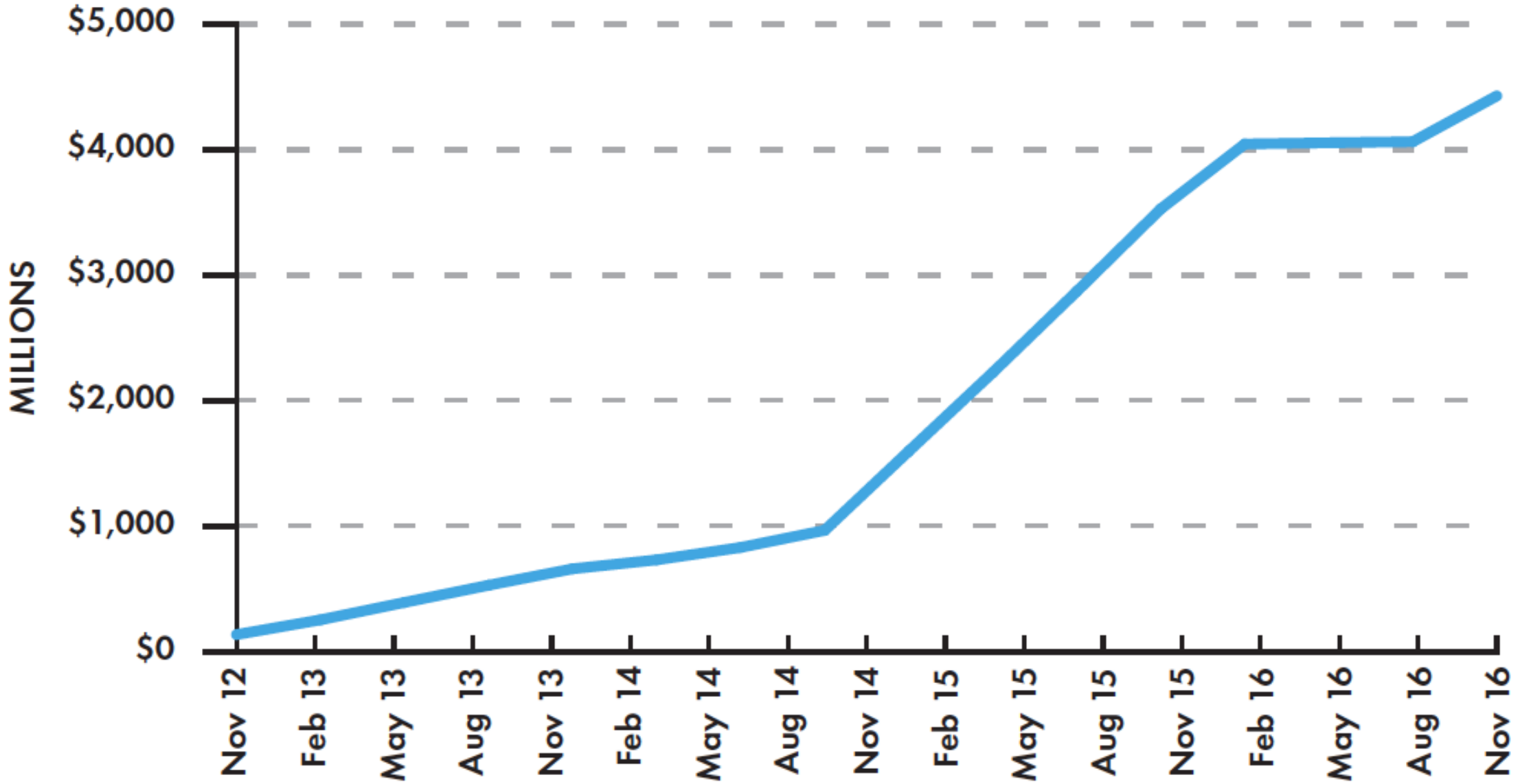


Figure 4. California allowance distribution over time. (Source: Energy Innovation graphic with data from CARB's State Auction Budget Spreadsheet.)[14]

Figure 3: Cumulative Proceeds from the Sale of State-Owned Allowances Deposited in the GGRF (as of December 31, 2016)

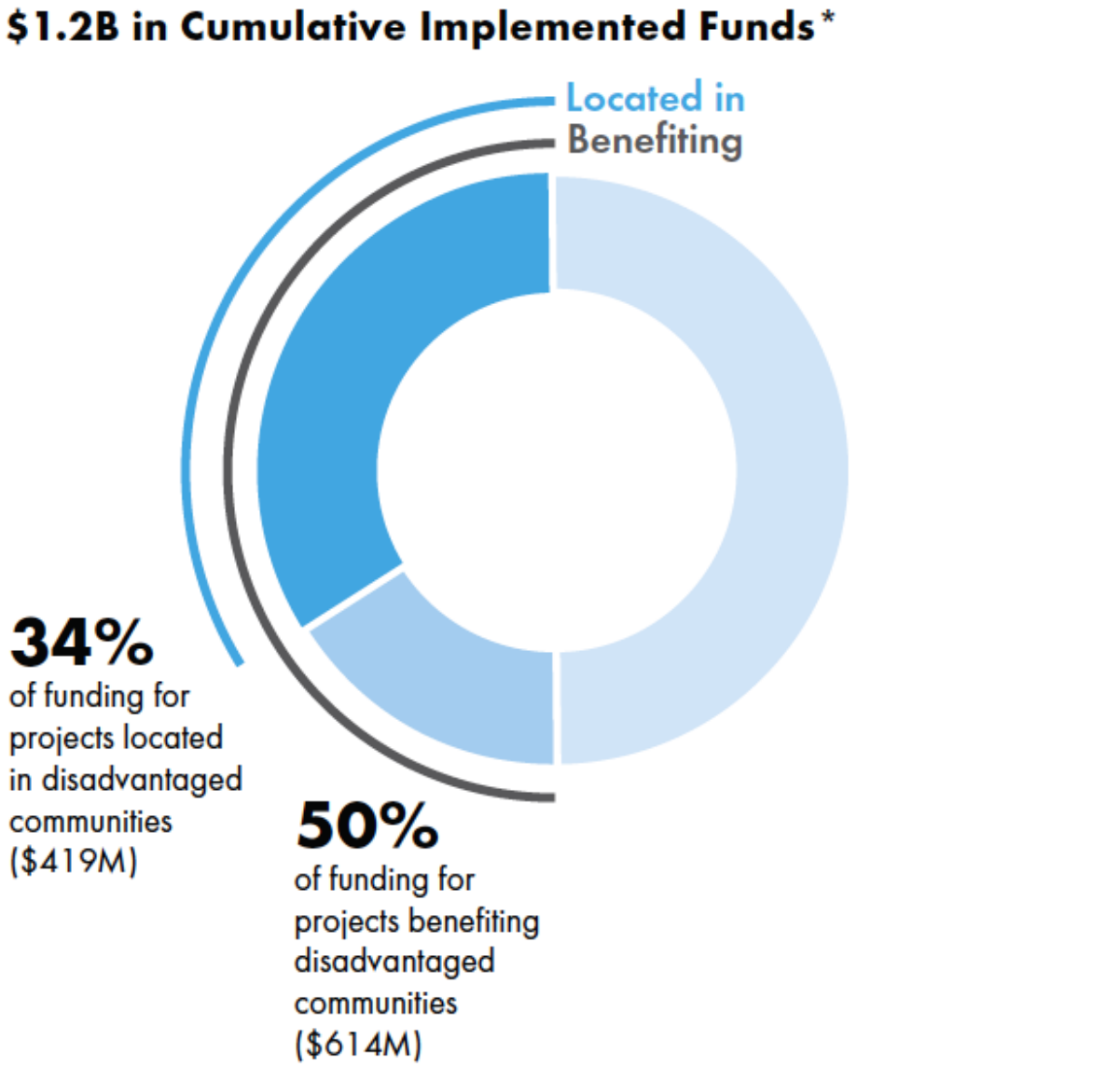


Government reinvestment specifics in California

- **California Senate Bill 706** – Auction proceeds must be spent to facilitate the reduction of greenhouse gas emissions in California.
- **California Senate Bill 535** –
  - 10% of the revenues derived from auctioning allowances must be spent directly in disadvantaged communities;
  - 25% of these revenues must be spent in a way that provides benefits to these communities.

THE CLIMATE TRUST

Figure ES-4: Cumulative Investments Benefiting Disadvantaged Communities



Source: California Climate Investments 2017 Annual Report

Potential revenue for low-carbon reinvestment: $3.6 billion per year

- Renew Oregon estimates at least $700 million per year in revenue to reinvest in greenhouse gas mitigation
  - (Key assumptions: prices at California floor, 50% of industry allowances are allocated, remaining allowances are auctioned.)
- Leverage
  - 5.16x leverage from additional public and private capital for each investment from the Greenhouse Gas Reduction Fund (California Climate Investments 2017 Report)
  - $700 million → $3.6 billion per year

THE CLIMATE TRUST

Opportunities for rural investment to develop the low carbon economy

Rural economic development opportunity	Climate benefit
Restoration and forest health treatment	**Carbon sequestration.** Maintain (through avoided fire) and enhance forest carbon storage
Integrated biomass resources	**Carbon dioxide reduction.** Reduce fossil fuel plant emissions
Long-term forest management	**Carbon sequestration.** Increase carbon sequestration
Soil carbon restoration (grassland restoration and management, no-till agriculture)	**Carbon sequestration.** Enhance soil carbon sequestration
Avoided conversion of grasslands into croplands	**Carbon sequestration.** Maintain soil carbon storage
Dairy manure management (solid separation, anaerobic digestion)	**Methane reduction.** Avoid methane emissions
Nutrient management (enhanced nitrogen management through precision agriculture)	**Nitrous oxide reduction.** Reduce nitrous oxide emissions

Land-based climate mitigation opportunities are large job creators.

!" #$%&' ()*" +$ ' &$. $/ *00" +$1+2' 3)4 ' +)$

!

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Reforestation, Land and Watershed Restoration, and Sustainable Forest Management	17.55	12.95	9.2	**39.7**
Crop Agriculture	9.8	6.5	6.5	**22.8**
Livestock	6.4	9.1	6.2	**21.7**
Gas (heavy and civil construction for pipelines - 50% new and 50% repair)	12.05	3.93	5.912	**21.888**
Mass transit and freight rail construction	13	3.70	5.038	**21.738**
Roads and bridges: repair	11.1	3.69	5.527	**20.317**
Conservation (Parks and Land and Water Conservation Fund)	11.45	4.15	4.7	**20.3**
Water infrastructure	9.96	4.38	5.427	**19.764**
Aviation	9.7	4.30	5.264	**19.266**
School buildings	8.65	5.38	5.233	**19.262**
Building retrofits	7.7	4.70	4.96	**17.36**
Roads and bridges: new	8.7	3.94	4.834	**14.474**
Solar	5.4	4.40	3.92	**13.72**
Biomass	7.4	5.00	4.96	**17.36**
Smart grid	4.3	4.60	3.56	**12.46**
Wind	4.6	4.90	3.8	**13.3**
Electricity generation, transmission, distribution	5.32	4.50	4.696	**14.512**
Coal	1.9	3.00	1.96	**6.86**
Financial Industry	3.22	2.34	1.668	**7.228**
Oil and gas	0.8	2.90	1.48	**5.18**
Nuclear	1.2	1.80	1.2	**4.2**

Source: Heidi Garrett-Peltier and Robert Pollin, University of Massachusetts Political Economy and Research Institute.

Note: Multipliers derived using IMPLAN 2.0 with 2007 data. Infrastructure multipliers and assumptions are presented in "How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth," Political Economy Research Institute, January 2009, http://www.peri.umass.edu/236/hash/efc9f7456a/publication/333/

!

Peter Weisberg
503-238-1915
pweisberg@climatetrust.org

Presentation on How Do Offsets Work
(Penrith, The Climate Trust)

9/21/17

THE CLIMATE TRUST

INVEST WITH PURPOSE

How do offsets work?

Agriculture, Forest, Fisheries, Rural Communities, and Tribes Work Group

Sean Penrith
Executive Director
The Climate Trust

9/21/17

What is an offset

- Represents a verified emission reduction (VER) of 1 ton $CO2_e$ from uncapped sector.
- In a cap & trade program, a carbon offset can be used to compensate for an emission made elsewhere under the cap.
- Must be: Real, permanent, quantifiable, verifiable, enforceable, and additional.
- “Additionality" requirement requires that reductions would not otherwise have occurred in a "conservative business-as-usual scenario.”

THE CLIMATE TRUST
INVEST WITH PURPOSE

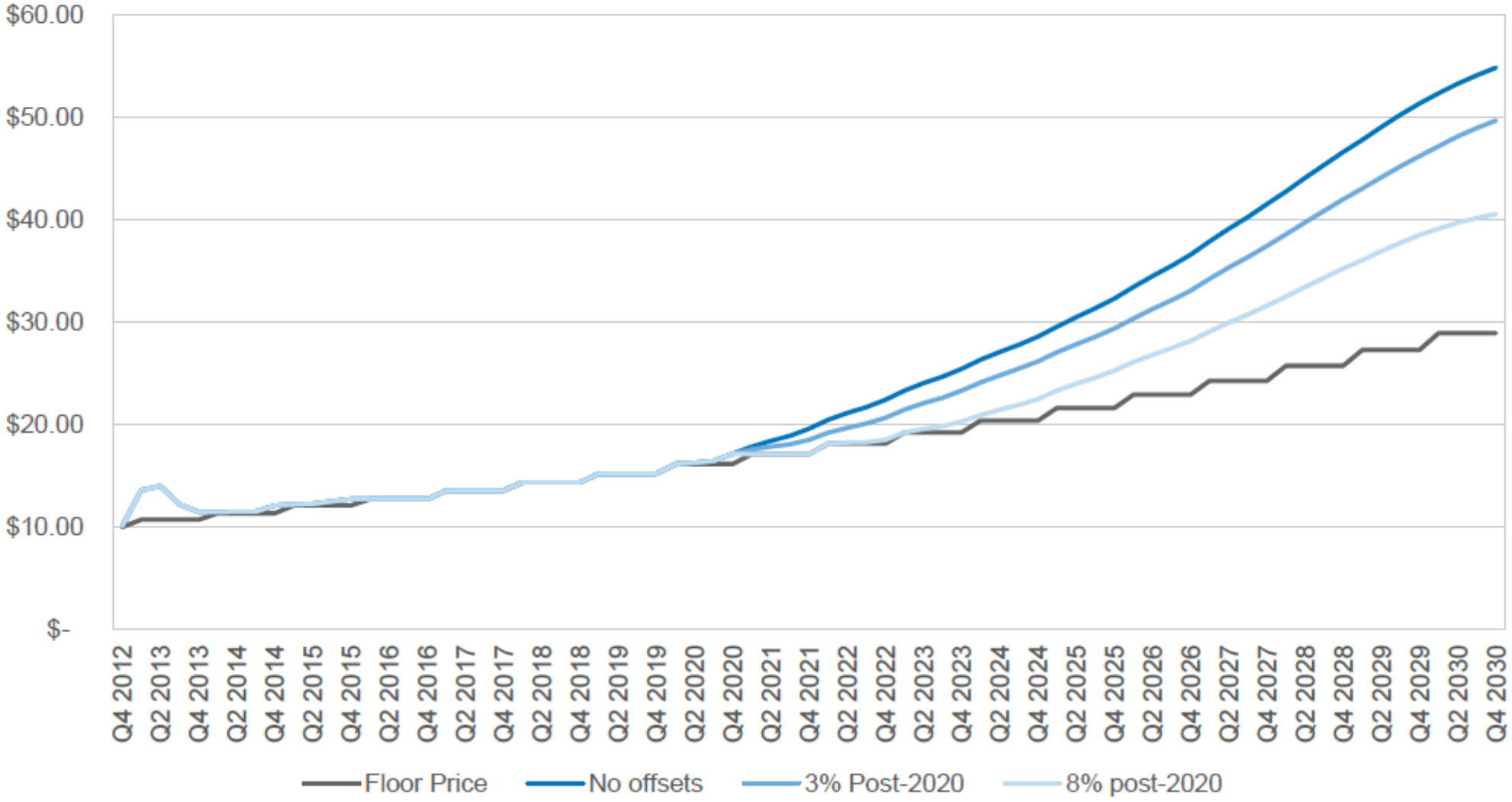
Purpose: Cost containment

C&T regulator has to consider:

- How to manage compliance costs.
- Impact of associated pass-through of those costs to consumer.
- How long to give covered entities time to on-ramp towards increasingly stringent reductions goals.
- World Bank's 2016 Carbon Pricing State & Trends Report states, "greater cooperation through carbon trading could reduce the cost of climate change mitigation by 32% by 2030.

Altering the Offset Rules: Impact on the pre- and post-2020 program

Figure 1: Price curves with varying offset usage post-2020



Source: ICIS

THE CLIMATE TRUST
INVEST WITH PURPOSE

How are they created?

Use existing protocol to issue compliant credits for a cap and trade program

American Carbon Registry · VCS · Climate Action Reserve

3rd Party Verifier → Registry Offset Credits (ROCS) → ARB Offset Credits (ARBOCS) → California Compliance Offsets (CCO8s) → California Compliance Offsets (CCO3s)

THE CLIMATE TRUST™
INVEST WITH PURPOSE

Offset project protocols

CLIMATE ACTION RESERVE

Vireseo Solutions

Adopted	*In-Progress*	California	Quebec	Ontario
Forest*				
Livestock (Manure)				
Livestock (Enteric)				
Rice Cultivation				
Fertilizer Management				
Avoided Grassland Conversion				
Conservation Cropping				
Urban Forest				
ODS Destruction				
Landfill Gas Destruction				
Mine Methane Capture				
Refrigeration Systems				
Organic Waste Management				
Organic Waste Digestion				

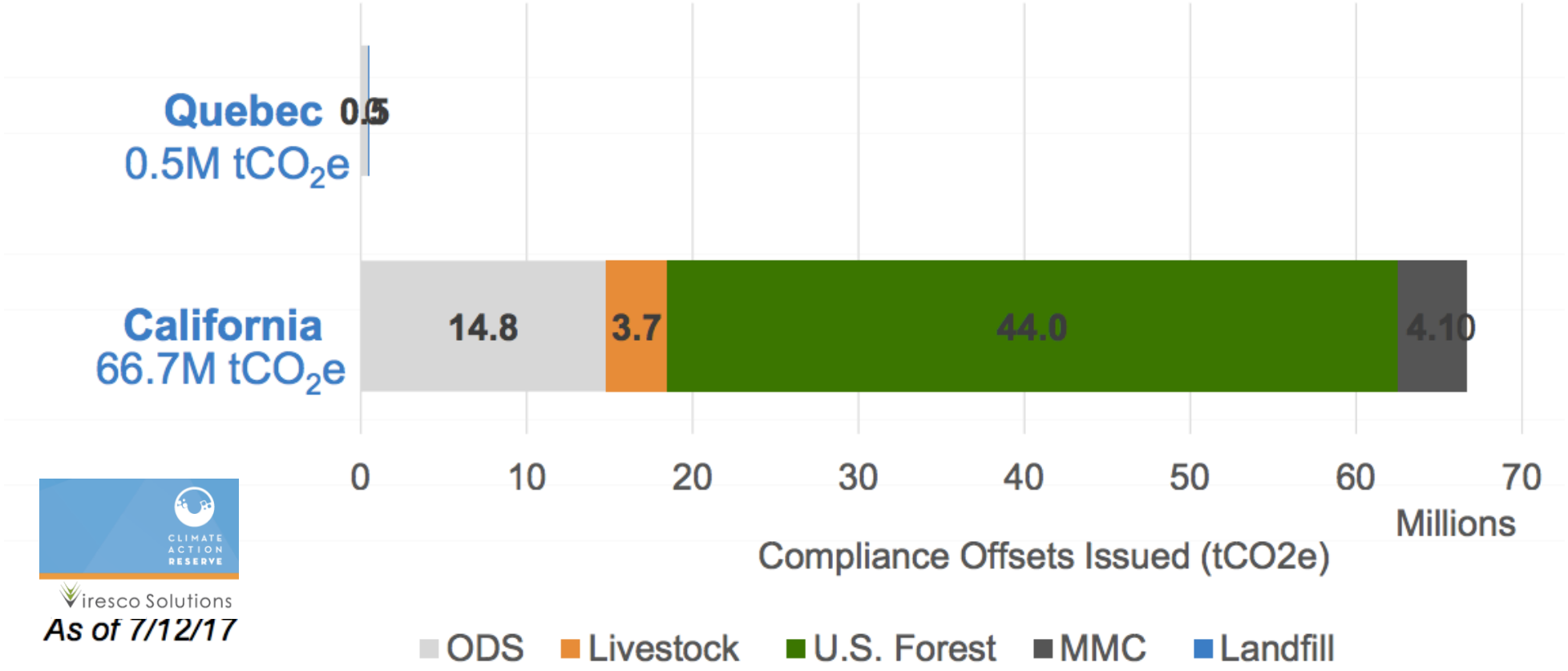
**Note that the CA, QC, and ON forest protocols are not identical in their scope of project activities, and the new ON/QC protocol is likely to be split into multiple protocols*

Utilization Rate

- CA AB398: Reduces offset usage limit from 8% to 4% (2021-2025) and then 6% (2026-2030)
  - Requires that 50% of offsets used must offer environmental benefit to the state
  - Establishes a Compliance Offsets Protocol Task Force

- Quebec has included an 8% usage limit
- Ontario has also included an 8% limit

Offsets issued



CLIMATE ACTION RESERVE

iresco Solutions

As of 7/12/17

THE CLIMATE TRUST

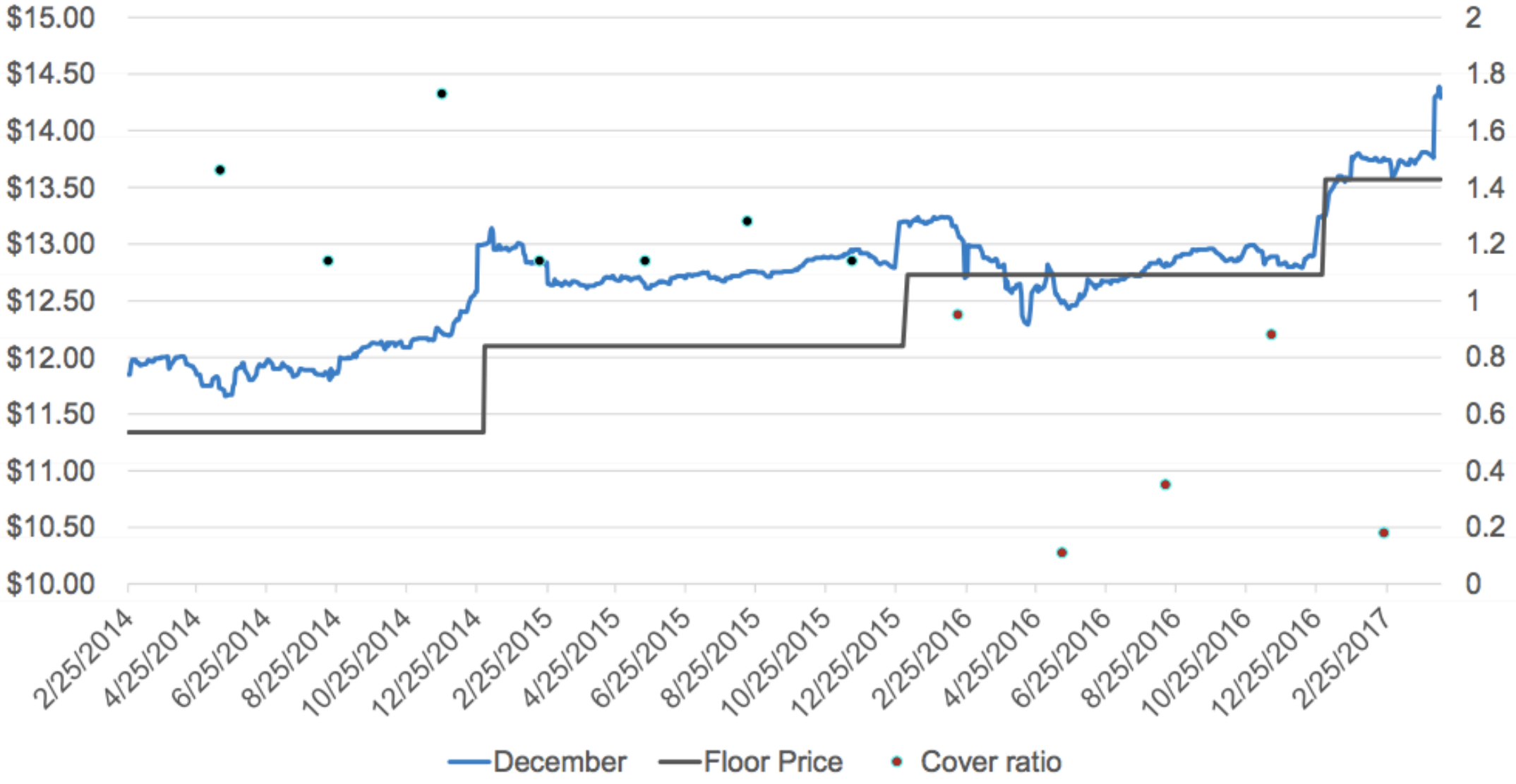
INVEST WITH PURPOSE

The Challenge

- *"…..offsets were primarily linked to projects outside of California, and large emitters of GHGs were more likely to use offset credits to meet their obligations under cap-and-trade."*
- Note, for a covered entity in California, offsets are a substitute for allowances. Without offsets, emitters would purchase more allowances until the price of allowances exceeds the cost of direct emission reductions as per the design intent of a cap and trade program.
- The allowance price drives the decision about whether to reduce emissions at the source.

THE CLIMATE TRUST™
INVEST WITH PURPOSE

Allowance Secondary Market Activity



ICIS

COMPLIANCE OFFSET PROJECTS
SENATE DISTRICT TWO: FACTS AND FIGURES

34 AB32 OFFSET
FORESTRY PROJECTS

229,000
ACRES SUSTAINABLY MANAGED

17,600,000
METRIC TONS OF CARBON DIOXIDE EMISSIONS SEQUESTERED[1], EQUIVALENT TO:

644,000
HOMES' ENERGY USE FOR ONE YEAR[2]

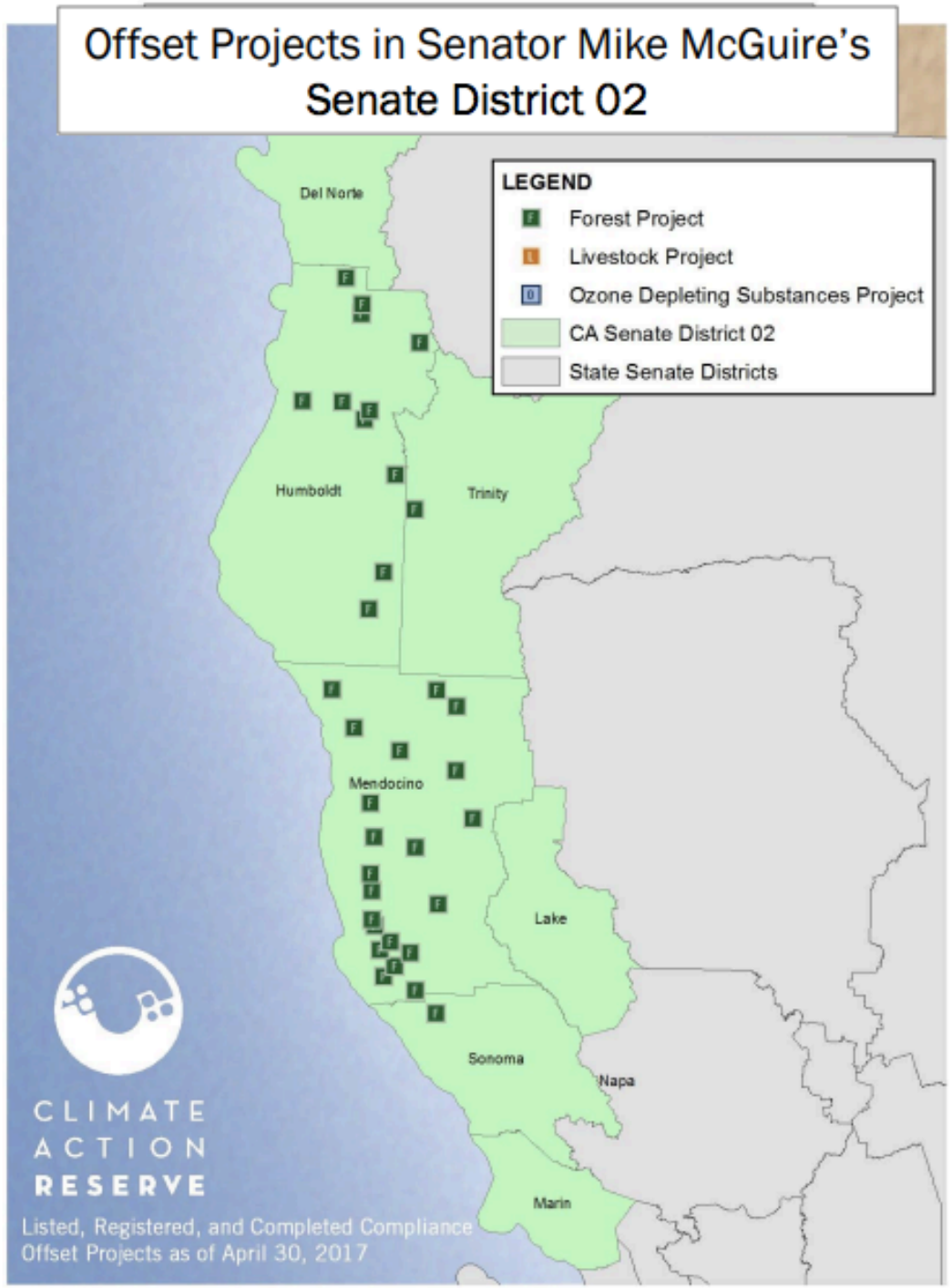
$184,000,000
GENERATED BY OFFSET PROJECTS IN CA[3]

$30,436,993
AB32 REVENUE INVESTED IN SD2[4], RESULTING IN:

529,994
METRIC TONS OF CARBON DIOXIDE EMISSIONS REDUCED , EQUIVALENT TO:

55,966
HOMES' ENERGY USE FOR ONE YEAR[2]

1. *1 metric ton of CO2 emissions sequestered = 1 ARB offset credit. The 17.6M figure is representative of all ARB credits issued from 34 projects to date, as well as credits verified by 3rd party and awaiting conversion to ARB system*
2. *Based on EPA GHG Equivalencies Calculator*
3. *Based on conservative offset credit pricing via Californiacarbon.info May 1, 2017*
4. *GGRF funds implemented based on ARB allowance auction proceeds data, May 2017*

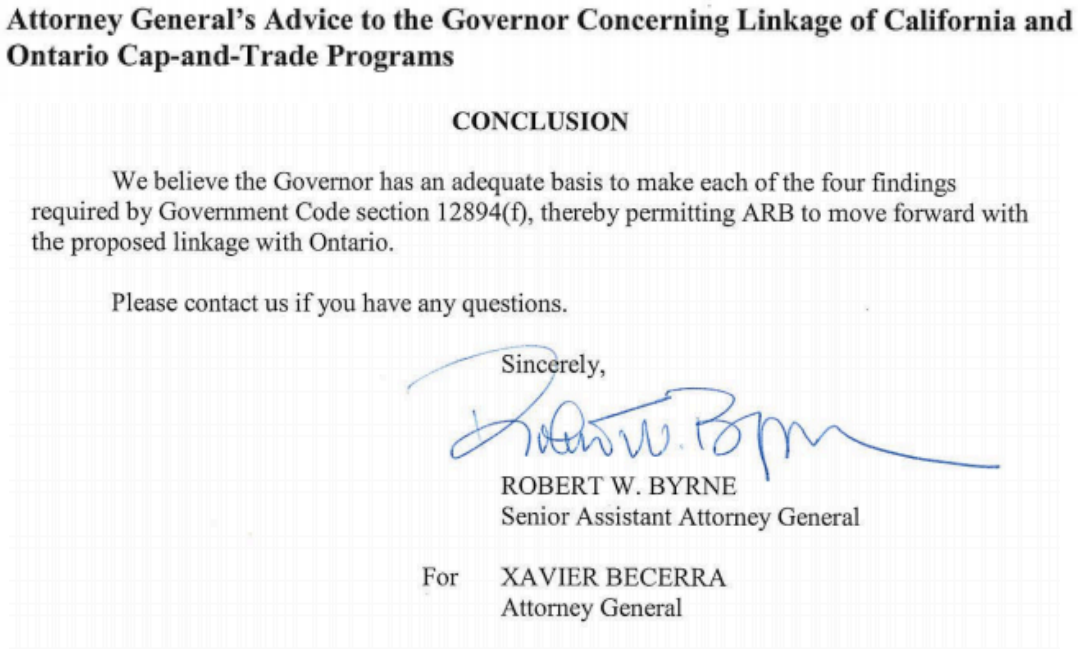


Offset Utilization

- Over the 2013-2015 period, of all the instruments used for compliance under the cap and trade system, allowances totaled 372 million and offsets totaled just 20 million.
- Offsets represented just 5.3% of all compliance instruments surrendered to ARB (historic WCI average 4.5%).
- Until allowance floor prices escalate, the utility of offsets as a cost containment mechanism is yet to take full effect.
- Larger corporations do use offsets more than smaller ones because they have the resources to manage the associated (invalidation, delivery, etc.) risks of acquiring offsets.

Offsets & Linkage

- Each of the 6 ARB protocols incorporate requirements of Division 25.5 of Health and Safety Code: Real, permanent, quantifiable, verifiable, enforceable, and additional.
- Ontario Linkage:
  - Ontario has proposed a regulatory framework for offsets; is working on 13 offset protocols.
  - Will satisfy the applicable requirements in Division 25.5 of the Health and Safety Code, by representing reductions that are real, permanent, quantifiable, verifiable, enforceable, and additional.
  - Ontario's proposed offsets regulation uses a definition of additionality similar to ARB's.
  - Aggregation allowed, but only at an administrative level.
  - No buyer invalidation liability, but risk buffer contribution for all projects.
- Ontario, Quebec and California are expected to announce the linkage of their carbon markets under WCI 9/21/17 during Climate Week in NYC.



Attorney General's Advice to the Governor Concerning Linkage of California and Ontario Cap-and-Trade Programs

CONCLUSION

We believe the Governor has an adequate basis to make each of the four findings required by Government Code section 12894(f), thereby permitting ARB to move forward with the proposed linkage with Ontario.

Please contact us if you have any questions.

Sincerely,

ROBERT W. BYRNE
Senior Assistant Attorney General

For XAVIER BECERRA
Attorney General

THE CLIMATE TRUST
INVEST WITH PURPOSE

On Additionality …..

- This interpretation and method of implementing the AB 32 statute was upheld by the Court of Appeal in Our Children's Earth Foundation v. ARB (2014)

- Stanford 2017 report examined 39 forest offset projects that have been credited by CA to answer two questions:
  1) Are forest offsets providing real climate benefits?
  2) Are forest offsets providing other benefits, such as supporting habitat for rare species or opportunities for recreation?

"Our analysis shows that California's forest offsets account for a small percentage of emissions reductions, by design. Yet at the same time, they provide an important opportunity to supply meaningful carbon sequestration and multiple co-benefits. California's pioneering program demonstrates that forest-based offsets are feasible in a compliance market."

THE CLIMATE TRUST
INVEST WITH PURPOSE

On AB 398's cost containment impact…

California Carbon's Impact Analysis of AB398's reduced offset usage limits:

- Would significantly increase the program's reliance on the price ceiling reserve despite 'speed bumps."
- The market "might expect to see a significant increase in the cost of compliance through 2030."
- This added cost could be as high as $16 billion.

THE CLIMATE TRUST
INVEST WITH PURPOSE

Sean Penrith
503-238-1915
spenrith@climatetrust.org

Work Group Homework Questions to Answer for Next Meeting

(9/21/17)

Clean Energy Jobs Work Groups

Meeting #1 -- Homework Questions

DIRECTIONS: No later than one week prior to the second work group meeting, please send your responses to the questions below to committee staff (beth.patrino@oregonlegislature.gov or beth.reiley@oregonlegislature.gov). As you prepare your responses, please consult with others in your organization or industry, particularly any located in jurisdictions currently participating in the Western Climate Initiative.

Question 1: What aspects of a cap-and-invest policy as it is being discussed in Oregon are you most concerned about for your organization/industry/constituents/customers?

Question 2: What changes would you suggest be made to cap-and-invest as it is currently being discussed to address the concerns you have?

Question 3: What opportunities do you believe exist for your organization/industry/constituents/ customers from implementation of a cap-and-invest policy as it is currently being discussed in Oregon?