6 February 2018



Before the

SENATE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

Date: February 7, 2018 Time: 3:00 P.M. Room: HR F

RE Testimony: Reconciliation of SB 1507 with HB 4001

Summary

Whereas language in HB 4001 does not identify such provisions, Section 14 of SB 1507 includes a total exemption for hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride or other fluorinated greenhouse gases. This difference in language can pose a significant barrier to passage of either bill, delaying any effective intervention in the ongoing exceedance of Greenhouse Gas (GHG) goals in Oregon. This barrier is not necessary and can be managed under an effective GHG precedent recently set in California.

Background

These aggressively damaging Greenhouse Gases need not be exempted if handled according to the precedent set in California for a massive emission of less aggressive gas. SoCalGas has not denied the environmental damage caused by its release of 94,000 tons of methane over a period of 4 months ending in February 2016. With the intent to serve the needs of California clients and elected public servants, SoCalGas is committed to implement the terms of the California Air Resources Board "Aliso Canyon Methane Leak Climate Impacts Mitigation Program."

Semiconductor Emissions Program

The referenced mitigation program balances deleterious emissions with the capture or elimination of an equivalent amount of GHG that would otherwise occur, thus acknowledging the need to conserve the environment while continuing with basic business operation. Here is how such an effort would work.

- Generate significant and quantifiable reductions in methane emissions within the agriculture and waste sectors;
- Promote a more sustainable energy infrastructure by promoting energy efficiency and decreasing reliance on fossil fuels; and
- Address emissions from methane "hot spots" not presently targeted under federal, State, or local laws.

The Oregon semiconductor industry can measure up to the SoCalGas civic-minded standard by offsetting the same amount of pollution by investing in the capture of the same amount of pollution (94,000 tons of

methane equivalent). Having done so, The Clean Energy Jobs Bill SB 1507 will no longer need the exemption for semiconductor pollution, a provision that could become an insurmountable barrier in the short session, posing a discrepancy with HB 4001 as it does. There must be a considerable amount of GHG pollution from semiconductor manufacturing such that it brought the exemption into existence.

If offsetting 94,000 tons of methane is thought to be burdensome, the industry can report direct measurements with third party verification and then commit to a mitigation of a known amount of pollution rather than the cited precedent amount. This would be equally effective in reconciling the House and Senate Bills.

The reconciliation consists in dropping the semiconductor exemption in the Senate language, since under the terms of the mitigation plan there would be no net emissions problem to mitigate. In California this approach has been approved by Governor Jerry Brown.

We encourage the enactment of SB 1507 without the unnecessary semiconductor exemption.

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