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To: Members of the House Energy and Environment Committee and Senate Environment and Natural Resources Committee

From: Rhett Lawrence, Oregon Chapter Sierra Club

Date: February 7, 2018

RE: Senate Bill 1507 and House Bill 4001

Chair Helm, Chair Dembrow, and Members of the Committees: On behalf of the more than 25,000 members and supporters of the Sierra Club in Oregon, I am pleased to provide this testimony in support of the Clean Energy Jobs bills – Senate Bill 1507 and House Bill 4001 – and we hope this important legislation can become even stronger.

As an organization with a long history working to address climate change and move beyond fossil fuels in Oregon, we support these bills and believe they are worthy of your support as well. Global climate change is the biggest environmental, social, and political challenge of our time. Unless we act swiftly and immediately to curb emissions of heat-trapping pollutants, especially carbon dioxide, we will be unable to mitigate the worst effects of this crisis: rising sea levels; mass plant and animal extinctions; an increasing scarcity of crucial natural resources; a greater frequency of extreme weather events; the spread of toxins, pests, and pathogens; widespread displacement of peoples; and unprecedented social upheaval.

The Clean Energy Jobs legislation is a necessary component of what Oregon needs to be doing to combat climate disruption and institute a comprehensive policy to account for the true costs of climate pollution. And though we are a small state, Oregon plays a role in the global problem of climate change, so it is incumbent on us to also be part of the solution. By providing a true accounting of the price of carbon in our state's economy, we can encourage further investment in beneficial policies and technologies like energy efficiency, conservation, and renewables and simultaneously move away from planet-destroying pollution. Capping and pricing climate pollution allows us to make those necessary investments in energy efficiency and other cost-effective measures while providing real benefits to our state's economy, people, and environment.

For these reasons, the Oregon Chapter of the Sierra Club supports the Clean Energy Jobs legislation, which will put a cap and price on climate pollution by making the biggest polluters reinvest in communities to grow the local, clean energy economy. The proceeds from these investment will go to

places struggling economically -- rural areas, communities of color, and low-income areas. The Oregon Sierra Club believes that we can and should prioritize solutions that benefit all Oregonians, not just a select few. We do believe, however, that the legislation should be strengthened in the following areas and we would like to see some improvements in:

- **Decision-making structure:** We need one that is transparent, equitable, and accountable. The Environmental Justice Task Force (EJTF), equity groups, and Sovereign Nation representatives must play significant, meaningful roles in development, implementation, and oversight of the program, including the Program Advisory Committee.
- **Allowances:** No freely assigned allowances for utilities and no more than 25% freely assigned allowances for emissions-intensive, trade-exposed industries.
- **Offsets:** Oregon-only offsets with a limit of 2%. Ensure offset benefits accrue to Oregon communities and do no harm locally and globally. Prohibit use of offsets for nuclear power, fossil fuel-generated energy projects, forest biomass energy projects, and incineration of medical and municipal waste.
- **Exemptions:** Exemptions for upstream and downstream impacts, outside the borders of Oregon, and for aircraft and marine fuels, have not been adequately considered and may undercut the overall goals of the program as fossil fuels industries continue to fight for new markets.

Ultimately, the solution to our climate woes is to transition off dirty fuels to efficient and renewable energy. Capping and pricing pollution and accounting for the true costs of carbon and other greenhouse gases are the most effective and efficient ways to incentivize the market to cut climate pollution while growing Oregon's economy. These Clean Energy Jobs bills point us firmly in the right direction and we hope they can be made even better. We want the strongest version of this legislation and we will oppose any amendments that will negatively impact our most vulnerable communities or the involvement of environmental justice groups or Sovereign Nations in the decision-making process.

But the bottom line is that we can wait no longer, and delaying action on a climate bill is not in the best interest of our communities, climate, nation, or planet. Clean Energy Jobs must pass in the 2018 session in the strongest possible form. Thank you very much for considering our comments and please do not hesitate to contact me if I can be of further assistance to your Committees.