

TO: Joint Committee on Carbon Reduction

FROM: Marjorie Stevens, Member, City of Corvallis Climate Action Advisory Board

DATE: February 18, 2019

SUBJECT: Clean Energy Jobs Bill/Oregon Climate Action Program (HB 2020)

Dear Senator Dembrow, Representative Power, Senator Bentz, and Representative Smith,

The Climate Action Advisory Board of the City of Corvallis strongly supports the Clean Energy Jobs Bill (HB 2020). HB 2020 aligns with Corvallis goals, visions and aspirations in the following ways:

- The Corvallis community has expressed its support for tackling climate change through the *Imagine Corvallis 2040 Vision*. The Steward & Sustain section of the plan envisions a sustainable city that is committed to renewable energy. In addition, the Engage & Support section of the plan addresses the well-being and basic needs of community members. Equity considerations are a key part of HB 2020.
- Three of the six sections of the *Corvallis Climate Action Plan* include a carbon pricing strategy that states, “Promote policies at the local, state and federal levels that implement carbon-based fees or taxes.” Since federal requirements related to GHG emissions reduction have changed, state-level policies and actions are more important than ever.
- HB 2020 is aligned with a Corvallis City Council Resolution that supports carbon pricing policies, and with our City Council’s recent endorsement of HR 7173, the Energy Innovation and Carbon Dividend Act in the US House of Representatives.

HB 2020 is the result of many years’ worth of hard work and negotiations on the part of climate policy advocates. During last year’s legislative session, various stakeholders expressed their concerns, resulting in compromises that are already reflected in HB 2020. We believe that, as the bill moves through the legislative process, **specific elements of the Clean Energy Jobs Bill are critically important and must be retained.**

- **Interim Target** – HB 2020 sets an interim target at 45% below 1990 emission levels by 2035. This interim target is essential to the success of the Clean Energy Jobs Bill, as it ensures that Oregon will be on track to meet the 2050 target (80% below 1990 emission levels). The October 2018 report of the Intergovernmental Panel on Climate Change states

that humanity has just 11 years to meet near-term reductions. By setting an interim target, HB 2020 provides the impetus for immediate action that our current situation requires.

- **No Free Allowances for New Fossil Fuel Infrastructure** – In HB 2020, some polluting entities have been awarded free allowances from the outset in order to provide them with flexibility to comply with the program in a few years. But any new fossil fuel infrastructure being built in Oregon will come with a significant amount of capital, and, therefore, should not be allowed to receive free allowances. HB 2020 currently disallows new fossil fuel infrastructure to receive free allowances. It is essential to keep this requirement in the bill, both to lower greenhouse gas emissions and to provide adequate funding to assist Oregon communities in the transition to a clean energy economy.
- **No Additional Free Allowances for Natural Gas Utilities** – We support accommodations for low-income customers, which are provided in the bill. Natural gas utilities are vying to acquire even more free allowances by claiming that 60% of their customers are low-income. We believe that, to encourage GHG reductions, free allowances should be strictly limited and that the bill should contain clear and objective standards for determining "low-income".

Addressing climate change is critical for the future of our state and our community. HB 2020 will lead us on a path to creating a strong clean energy economy by putting a price on major greenhouse gas emissions sources, while funding clean energy innovation in communities and industries across the state.

Thank you for your consideration of these recommendations. We appreciate the opportunity to provide our insights into HB 2020.