

**Written Comments of Philip H. Carver, Ph.D.  
Before the Joint Committee on Carbon Reduction  
Elaborating on Oral Testimony of February 18, 2019  
Regarding the Structure and Decision-Making of Office of Carbon Policy  
Salem OR  
Philipcarver(at)gmail.com**

**Oral Testimony**

Hello Chair Power and Chair Dembrow and members of the committee. Thank you for all your hard work over the years on this critical issue.

For the record I am Phil Carver. I have a Ph.D. in Natural Resource Economics. From 1980 to 2017 I worked for the Oregon Dept. of Energy and the Public Utility Commission. My experience tells me that the decision-maker for carbon policy under HB 2020 should be a citizen commission appointed by the governor. This structure will allow the transparency and independence necessary for quality decisions. Today I will give you two examples.

In the early 1980s there was only one PUC commissioner. He could hold private meetings with regulated utilities and other policy advocates. The Oregon public meeting laws cannot be applied to a single decision-maker. This led to distrust in the decisions reached. As a result the Legislature expanded the commission to three members. This structure has worked much better.

The second example is that the energy efficiency portion of the building code is decided by the Administrator of the Building Code Division of the Dept. of Consumer and Business Services (DCBS). This process has left substantial amounts of cost-effective energy efficiency on the table. The limited public process has not provided a plausible justification for this failure.

Below, I will provide an example showing why a citizen commission, such as the Energy Facility Siting Council (EFSC), can sometimes work better than a professional commission, such as the PUC. I will also discuss why the work of the new Carbon Policy Commission should not be left with the Dept. of Environmental Quality (DEQ) and the Environmental Quality Commission (EQC).

Finally, I suggest that the energy portion of the building code should be the responsibility of the new Carbon Policy Commission, rather than left with the DCBS. It will be better positioned to establish an energy code that is appropriate for the climate crisis that we face. Virtually all the buildings built this year will be standing in the year 2050. Fully retrofitting buildings is rarely practical.

### **Composition and Staffing of the new Carbon Policy Commission:**

The huge complexity of utility regulation makes a professional commission necessary for the PUC. However, many times a citizen commission can work well, such as the Environmental Quality Commission (EQC) and the Energy Facility Siting Council (EFSC). An example of the superiority of a citizen commission occurred near the end of the 1995 Legislature.

The Governor proposed an amendment to a bill that would have granted temporary exemption from the EFSC Need for Power Standard. Most of the members of the EFSC threatened to resign over this issue. They feared it would cause a stampede of place-holder siting applications. This likely outcome would have created an unmanageable workload. It would also have locked-in pollution permit place holders for many air quality limited areas, thus blocking real permit applications. The governor relented and instead proposed the exemption be limited to 500 MW, which became law. It is unlikely a professional commission would have taken such a principled stand against a governor.

I do not support leaving the work of the Office of Carbon Policy to the Dept. of Environmental Quality (DEQ) and the EQC. There is no end-of-pipe control technology for carbon emissions as there is with other DEQ air permits. Instead, an 80 percent reduction in emissions requires a massive transformation of the energy and transportation sectors. Different skill sets are required.

These skills and activities more closely resemble the work of the Oregon Dept. of Energy (ODOE) and the EFSC. For example, an extensive expansion of the electrical transmission network is needed to accommodate the massive amounts of variable wind and solar generation needed to reach the 2050 emission reduction goal in HB 2020. Also, ODOE has staff capabilities to assist the new Carbon Policy Commission in technical and economic assessments of the energy efficiency portion of the state building code. In contrast, DEQ does not.

Also the combined work of the EQC and the new Carbon Policy Commission would be too much work for one commission. For the same reason, the EFSC should be retained as a separate commission, supported by the same staff people as the new Carbon Policy Commission. Because EFSC sites transmission and generation in Oregon, many of the staff skills for both commissions will overlap.