

Co-chairs Dembrow and Power, and members of the Joint Committee on Carbon Reduction,

I am a small business owner and energy consultant in Bend. I've seen many opportunities for businesses and individuals to transform costs into savings and expenses into investments. I support HB 2020 The Clean Energy Jobs bill because it has the potential to do just that. Clean energy is good business.

Carbon pollution is a problem for people and it's a problem for the climate. While not a complete solution in itself a market-based approach is available to address the problem.

The market can only make good decisions when it has good information. In this case, the necessary information is the price of carbon. Unfortunately, the price of fossil fuels ignores many of its costs: individual health, toxic spills, mining waste and air pollution. Currently, carbon-dependent industries get a free ride with cheap access to public lands, a huge and unregulated dumping area for their waste (i.e., the air we breathe) and even direct government subsidies. These are real costs to citizens and society.

The market-based solution is to create firm upper limits on carbon pollution that will gradually move downward. This gives businesses the predictability they need to plan for the future.

The second element is placing a price on carbon pollution. This allows businesses to properly value the carbon they emit and value the reductions in carbon emissions. Some businesses will choose to aggressively reduce their emissions creating valuable carbon credits. They can monetize those credits by selling them to other businesses that need more time to adjust to the lower carbon limits. Others may choose to buy credits and continue polluting. While not the best solution, that option will exist for some time. Businesses can make choices.

The third element is an investment fund created by collecting carbon assessments. This fund would buy technology that is already available to reduce carbon emissions. This means slashing energy waste in every community through energy efficiency improvements to homes, schools, businesses and industrial facilities. An important benefit of these efforts are thousands of good-paying jobs that can't be replaced by automation or exported to other areas. Businesses can reduce costs by reducing energy waste, installing renewable energy systems, etc.

Everyone agrees that energy-saving improvements pay off over time. The problem has been a perception that initial costs are insurmountable. To overcome this first-cost obstacle, we must create clean energy financing systems that make the monthly payments for building, transportation, and infrastructure improvements lower than monthly energy savings. This is very similar to the way that a 30-year mortgage allows middle class people to afford a half-million dollar home. When earnings (savings) exceed costs it is called profit. In essence, saving energy turns a monthly expense into a long-term investment that benefits consumers, local economies and the global climate. Win-win-win.

Properly structured, investments in energy efficiency can be profitable. Funds created through a cap and invest system should be used to leverage private investment in this way. As businesses repay the fund (with interest), new loans can be made for even more improvements.

A cap and invest system improves the efficiency of business operations, increases profits, creates jobs, reduces unhealthy pollution and promotes business creativity. Rather than be stuck with the tired business as usual, let's unleash the power of a market-based system to improve the future for individuals and businesses.

Respectfully,

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