



## SENATOR FRAN PAVLEY

March 7, 2019

Dear Members of the Joint Committee on Carbon Reduction, House Speaker Kotek, Senate President Courtney:

Congratulations on your efforts and leadership in addressing the goal of reducing emissions and putting a price on carbon. Oregon, like many other states, shares our concerns about protecting the public's health, creating in-state clean energy jobs for the 21st century, as well as reducing our growing risk of wildfires, sea level rise, and the potential for prolonged droughts and a more volatile snowpack.

As the author of a keystone California climate bill (AB 32), I am aware of many of the challenges and opportunities that you will have before you. We learned that you don't have to choose between a strong economy and a healthy environment. AB 32 passed in 2006, signed into law by Republican Governor Arnold Schwarzenegger, with a goal of reducing climate pollution from major emitters by 20% by 2020. We met the target early, and we were also able to invest money in low income communities, rural areas, cleaner agricultural equipment, electrifying our ports, transit, methane dairy digesters, clean fuels charging infrastructure, small businesses, and natural lands. A complete list of [reduction strategies](#) can be found on the California Air Resources Board [website](#).

Your bill seems to be striking the right balance and priorities for your state.

HB 2020 proposes setting a limit on carbon pollution consistent with Oregon's carbon reduction goals and investing allowance proceeds in priority areas such as transportation, as well as energy efficiency for homes and businesses. As in California, it would complement Oregon's existing policies that are effectively reducing emissions from the tailpipes of automobiles and increasing the production of renewable energy and lower carbon fuels. The multiple benefits of providing job training, cleaning up air pollutants, and implementing wildfire prevention programs have proven to be effective and popular programs, too.

Years ago, I was once somewhat skeptical of providing flexibility in compliance of emission reductions by passing a bill that not only put a cap on emissions but also allowed for the adoption of market-based mechanisms to provide flexibility and cost-effective strategies for businesses to meet their reduction targets. I am now a big proponent. In fact, it was the

emitters and business community that championed this flexible compliance mechanism. A well-run Cap-and-Trade or Cap-and-Invest type program that sets reduction targets, provides oversight, minimizes offsets, and lays the foundation to link with other jurisdictions has been a workable model that has been good for our environment and our economy.

Several independent entities have [documented](#) that over 500,000 new jobs have been created in both rural and urban parts of our state. Our economy has grown and we did not have the economic disruption and price spikes from carbon emission reduction policies that some of your opposition has warned you about. For example, with our clean car law, which has been adopted by 13 states, motorists have found that cleaner, more fuel-efficient cars save money at the pump, clean up the air, and reduce dependence on fossil fuels. More recently, in 2016 and 2017, we had bipartisan support in passing an extension of both our emission reduction policies increased to 40%, and Cap-and-Trade to 2030.

It is my hope that this letter may be of some assistance. It has been my experience that a well written Cap-and-Invest law sends a strong market signal for investment and innovation in our growing new clean economy. We have found investing in our communities will bring attention and support for these climate pollution reduction policies. CEOs of major solar, biofuel, and energy efficiency companies told me that they came to California because, not in spite of, our climate policies.

Please do not hesitate contacting me if I can answer any further questions.

Best regards,

A handwritten signature in black ink that reads "Fran Pavley". The signature is written in a cursive, flowing style.

Fran Pavley  
California Assemblymember 2000-2006  
California State Senator 2008-2016  
Environmental Policy Director, USC Schwarzenegger Institute 2017-Current