

To: Senate Committee on Environment and Natural Resources

From: Jane Stackhouse, constituent

Date: February 8, 2020

Re: SB 1530

Chair Dembrow, Vice Chair Olsen and members of the Committee I appreciate the work of this committee to create a bill that will reduce greenhouse gas levels and invest in Oregon's future. You have worked long and hard and considered hundreds of hours of expert testimony and met with representatives from all around the state over the past years.

We know what we need to know to create an effective cap and invest bill. Further study is not needed. It began with the Healthy Climate Bill in 2015, includes the [comprehensive study by DEQ](#) in 2017 and completed with an [analysis by Dallas Burtraw](#) in January, 2020. This is unfinished business from the 2019 session and there is no reason to delay passage in the 2020 session. Yes, the session is short and because the work on this legislation has been exhaustive and is complete, there is no reason to delay. We know what we need to know. We are in a climate emergency with CO2e levels at 420 PPM.

We have all contributed to human caused greenhouse gas increases and we must all be part of the solutions to reduce greenhouse gas emissions. The biggest emitters must be required to make the biggest reductions. The cap, price, and invest model works well for this as long as the cap is strong and decreases within a reasonable time line. The investment side of the model can be used to help ease the burden of the transition on low income and most impacted communities. SB 1530 carves out benefits for rural areas that exceed what I might like to see but also ones I am willing to accept so we can move forward.

SB 1530 with the -27 amendments is a reasonable bill that should be able to achieve our goals of a reduction in emissions to 45% below 1990 levels (56.4 MMT) by 2035 and 80% below by 2080. The ever increasing greenhouse gas emissions create an emergency. If we do not reduce levels quickly we will not only have a several meter rise in sea level (ice will continue to melt if above freezing and Antarctica is 65 degrees Fahrenheit today) but will have to content with eruptions of methane from the defrosted ocean floor and tundra. This vast store of methane, if released, will likely mean all efforts are for naught. There is no time to delay.

Given the urgency of this situation I find I am very angry about how the bill is often misrepresented. The basis for the misrepresentations seems partisan. Many complaints have become a rallying cry for the opposition.

1. This is an added tax on fuel.
2. The costs to run my business will increase and my business will go broke.
3. There is a lack of transparency that leaves us open to corruption and fraud.
4. Rural communities will suffer.

5. We need to consider alternatives.
6. The short session is not the time to pass such legislation.
7. The people must be able to vote.

Once these misrepresentations, which I prefer to call lies, got started they have been treated as the truth. They serves as just another form of denial of our situation. We believe in climate change but we must delay for the right solution. To this I say, 'stop being an obstructionist' the time to deal with this emergency is 30 years ago so we had better start in 2020. Deferred maintenance is always more costly that dealing with clean up and maintenance at the time.

Let's take these misrepresentations head on.

1. Fuel distributors are responsible to purchase allowances to cover the CO<sub>2</sub> in the fuel they are distributing. They will get directly distributed (free) allowances for any fuel they distribute outside of Portland Metro and Truck Stops one and half miles from the boarder of a state with no cap on emissions. In 2025 other Western Counties, Bend, Klamath Falls, and Hood River will be added and the distributors will get directly distribute allowances for Eastern Oregon counties.
  - a. The requirement to purchases allowances is **not a tax**. This was questioned in California and the courts found it is not a tax.
  - b. The funds from the purchase of allowances from the state will go into the Transportation Decarbonization Fund for the **benefit of all Oregonians**.
  - c. Although it may seem logical that distributors would pass the cost of allowances on to customers, in practice we have **not seen price increases** in other jurisdictions with cap and invest.
  - d. Low- to moderate income residents everywhere will receive a tax **credit** that will fully offset any increased driving costs. Recognizing that they drive more, **residents of rural counties will receive larger tax credits**. This will be in a separate bill since it modifies Oregon tax law.
  - e. There will be **full refunds** if there are increases in the cost of fuel used for off-road agricultural and forestry operations.
  - f. Home heating fuel distributors will not be allowed to pass costs onto low income families and will be required to provide help with weatherization and energy efficiency. In exchange the utilities will get directly distributed allowances for that share of their consumers who are low income. [Analysis of programs in other jurisdictions](#) and found that total heating costs went down
2. Businesses that emit more than 25,000 metric tons of CO<sub>2</sub>e are covered by SB1530; other businesses can opt in if they choose. Many of the covered businesses are in competition with businesses out of state. These businesses have been given special consideration to help them remain competitive.
  - a. EITE – Energy Intensive Trade Exposed industries will be held to a standard for best available technology in their industry thus minimizing risk from competitors. They will become more energy efficient and be able to incorporate new technologies as they develop. There is even the opportunity that these industries will develop new technologies from which they could profit.
  - b. TENGU – Trade Exposed Natural Gas Users will be given extra consideration in that their natural gas suppliers will receive directly distributed allowances for the amount of gas they use and in exchange the TENGUs will develop and execute plans to be more energy efficient. Most of the TENGU businesses are in rural areas.
3. SB 1530 does have some restrictions on what information can be shared publically. This is not a lack of transparency.
  - a. Information that is protected is proprietary business information and sensitive personal information of low income utility customers.
  - b. **Information necessary for evaluation and monitoring is available in the aggregate.**

4. We all need to reduce greenhouse gas emissions and we all need to contribute to solutions. When the bill references **communities most impacted by climate change it means rural communities.**
  - a. Rural communities are **allotted funds** from the Climate Investment Fund.
  - b. Most of the TENGU businesses are in rural areas.
  - c. Most of the new job growth will be in rural areas.
5. We definitely need to consider **alternatives in addition** to SB 1530 Cap and Invest.
  - a. SB 1530 is not the final solution and we must continue to develop ways to reduce greenhouse gases and create incentives for clean energy jobs.
  - b. For this session we must pass SB 1530 with the -27 amendments.
6. The 2020 session is the perfect time to pass Cap and Invest legislation.
  - a. We have studied and explored and included people from all over the state.
  - b. We have had more hours of testimony in this short session than is common in long sessions.
  - c. We have had more than three years of expert testimony.
  - d. This is unfinished business from last session.
  - e. Passing SB 1530 in 2020 will elevate Oregon to the environmental standard bearer that we deserve to be again.
7. The people must be able to vote is a worthy belief AND we are in a climate emergency and the emergency clause must be included in the bill.
  - a. The emergency clause must be included because we are in a climate emergency.
  - b. We have a legislature to work on tough, complex issues that require extensive research, discussion, debate, and compromise.
  - c. We cannot delay further to implement climate action. The emergency clause allows the Oregon Board for Greenhouse Gas Reduction to begin rule making and enable the program to start in 2022.
  - d. Legislative Counsel makes it clear that the Emergency Clause does not restrict putting the issue on the ballot.

I urge the Committee to not only pass SB 1530 with the -27 amendments but to work to explain the details of the bill and present the benefits to rural Oregonians so we can unite against our common threat of climate change and work together to reduce greenhouse gas emissions. We will all need to sacrifice our status quo to do so. We must change and when we change we need to consider the impact on and the needs of impacted communities.

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