

February 4, 2020

Senate Committee on Environment and Natural Resources

Testimony on SB 1530

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Dear Chair Dembrow, Vice-Chair Olsen and Members of the Senate Environment and Natural Resources Committee:

My name is Jeff Hammarlund. I have recently retired as an adjunct professor at Portland State University, where I taught graduate and professional development courses on energy, natural resources, and climate policy for the past 25 years. Earlier in my career, I was the senior policy analyst for the Public Power Council, the trade association representing the 125 consumer owned utilities in the Northwest, including Oregon's 20 rural electric coops, its 12 municipal utilities, and its 6 people's utility districts. And before that I served on the staff of the US Senate Energy and Natural Resources Committee when the chair was Senator Henry Jackson from Washington State and the ranking member was Senator Mark Hatfield from Oregon. I still have a little consulting firm and, to my amazement, now do most of my consulting work on climate policy with several Chinese government agencies and universities.

This background has given me an unusual vantage point to watch the debates and maneuvers that have occurred over the past 5 years as Oregon wrestles with climate legislation. To help put Oregon's situation in perspective, I can assure you that the Chinese no longer question whether climate change is real, that human behavior is its primary cause, or that energy efficiency, clean transportation systems, and renewable energy offer the best solutions to address climate change. China has many problems and I am definitely not a fan of its authoritarian government. But I cannot help but admire its decision to become the global leader in clean energy.

According to the International Energy and other respected sources, China:

- Contributed an amazing 45% of the total global investment in renewable energy last year, up from 35% the previous year.
- Can claim one-third of the world's wind power and a quarter of its solar capacity.
- Is the home of 5 of the world's largest wind turbine manufacturers.
- Has 6 of the world's 10 auto manufacturers committed to electrification and sells more electric vehicles than the rest of the world combined.
- Plans to launch its own national cap-and-trade program this year, after several years of regional pilot projects.

China overtook the US in total global investment in renewables in 2009. And, to my dismay, China has replaced the US as world's leading champion of and investor in economic development strategies that promote clean energy and low carbon future in

many developing countries. Of course, a small state like Oregon alone can do little to change global trends, but we do have a long and impressive history of being a national and world leader in clean energy policy.

I encourage you to pass a strong SB 1530 that Oregonians can point to with pride a decade or more from now, and that can serve as a model for other states and even small nations to emulate. For the 25 years I taught my graduate course on Northwest energy policy I was able to take pleasure in mentioning that Oregon was a clean energy leader. I am deeply disappointed that I can no longer do so. Oregon had an excellent bill in HB 2020 last session, one that received praise from many climate policy experts and the national press. As a highly respected climate reporter noted in *Vox* last June: *Oregon is attempting to demonstrate that a smaller state can join California's trading system and adopt California's climate policy model, while still customizing that model to its own unique needs.*

As we know, that this did not happen, and states such as New York, New Hampshire, Vermont, and eight other states have jumped ahead of us with carbon pricing policies. We are getting further off track from meeting our own 2020 greenhouse gas reduction goals. I have been deeply saddened and discouraged by the disinformation campaign on what this bill does and does not do. I expected such a campaign by Koch Industries and the fossil fuel companies. Frankly, I did not expect to see so many rural Oregonians, the very people I used to represent when I was with the Public Power Council, accept so willingly the deceptive information they have received from leaders of Timber Unity and their allies. I can only hope they will take the time to read and understand what is actually in the bill.

Fortunately, you still have an opportunity to get this right. In general, I have been impressed by the thoughtful compromises that emerged from the Gang of Five over the past six weeks. I hope you will be able to build upon the mutual trust that I hope has emerged through this process. And, of course, I hope that the Republican lawmakers will show the positive leadership that my former boss, Senator Mark Hatfield, demonstrated by not embarrassing themselves and our state by walking out again.

I will close with a few more specific comments and recommendations:

- I was very impressed by the Issue Brief that Dallas Burtraw of Resources for the Future provided several weeks ago. Of course, it is now a little out of date, but it still warrants a careful read.
- I was also impressed by and agree with the testimony that the coalition of indigenous, environmental justice, and rural communities submitted. I believe it is important to ensure that 40% of the Climate Investment Fund be allocated to the most vulnerable impacted communities that have the greatest need. Investing in the development of affordable and energy-efficient housing, installing community solar projects, improving drinking water infrastructure, and the like can go a long way toward establishing energy independence and creating

- good family wage jobs. It is critical that the people of impacted communities play a central role in the decision-making process on how these Investment Funds are spent, consistent with the overall goals of this legislation.
- Rural Oregon has not received the attention and investment it deserves for many years. It is critical that this bill set aside a significant share of the Climate Investment Fund for sustainable projects on natural and working lands. We need to recognize the value of funding projects in rural Oregon that sequester carbon on farms, ranches and forests, enhance wildlife habitat, reduce wildfire risk, and improve irrigation practices. Many Tribal members in Oregon live in some of our state's most impacted communities, so I am pleased to see that 10% of the Climate Investment Fund is set aside to benefit Indian Tribes. They have much to teach the rest of us in such areas as land and water protection, habitat restoration, and forest management.
 - I am pleased to see that funding has been reinstated for the Just Transition Fund.
 - It is critical to ensure that the program design Oregon comes up with is still aligned with the guidelines of the Western Climate Initiative so our state can be linked with California, Quebec, and eventually, Washington State and other states and provinces.
 - Establishing the Oregon Greenhouse Gas Reduction Board and the Office of Greenhouse Gas Regulation within the Department of Environmental Quality is a reasonable temporary solution as this program gets established and refined. However, eventually these functions should be combined with those currently housed within the Oregon Department of Energy to create a new Department of Climate and Energy. The reasons for this were explained in considerable detail in testimony presented during the last legislative session.

Thank you for your consideration.

Jeff Hammarlund, retired faculty member, but still an active and concerned citizen