



February 20, 2020

Representative Paul Holvey, Chair
House Committee on Rules
Oregon State Capitol
Salem, OR 97301

Dear Chair Holvey and Members of the Committee:

Thank you for the opportunity to provide written comments on HB 4167. Climate change is the issue of our time: What we do today deeply impacts both current and future generations. Oregon can and must take action to significantly reduce climate pollution. Oregon is far off track from meeting the climate pollution reduction targets set by the legislature in 2007. Every year Oregon fails to take action, our goal of achieving a safe, resilient and pollution-free future does not change, but the curve representing how much we must do and how quickly we must do it gets ever steeper. We will be called to do more, not less, to take responsibility for Oregon's climbing emissions and transition rapidly away from our dependence on fossil fuels.

A cap-and-invest proposal has been worked on for over a decade, and over the past five legislative sessions in earnest. There have been multiple work groups, road shows, special joint committees, and numerous state reports commissioned. Hundreds of hours have been spent in conversation with stakeholders across the spectrum, researching policy options, and holding public hearings. We appreciate the robust public process that has happened to lead up to now.

HB 4167, (which is the same as SB 1530-A with the -41 amendment) proposes an important framework to build upon. Cap-and-invest commits the state to reducing greenhouse gas emissions and jumpstarts investment in the clean energy transition. At the same time, the proposal has changed significantly from last year's bill.

One of the biggest changes is the geographic phase-in for transportation fuels, yet transportation emissions are the largest and growing source of climate pollution in Oregon. It's important this sector be covered and that investments are made to create a climate-smart transportation system and support individuals, organizations, and businesses in their transition to more efficient and lower-carbon fuels and vehicles. *We want to ensure this program is implemented in a way that can link to the regional market. Linkage creates a more stable, cost-effective carbon market.*

Oregonians want climate action. Young people organized climate rallies in September 2019 that nearly 20,000 people participated in across the state. Thousands have come in person to the capital during the 2019 and 2020 legislative sessions. Tens of thousands more signed petitions and submitted supportive testimony.

Climate Impacts Harm Oregon

Climate change is a crisis that has been building over decades. The state of Oregon will need concerted efforts for years to come and our organizations have a long history of working on innovative public policies. We are committed to continuing this work.

In the five years the legislature has debated this proposal to curb climate pollution, Oregon has been harmed by climate impacts, including but not limited to:

- Increasing ocean acidification, which harms shellfisheries and other marine species,
- Drought that impacts agriculture and reduces hydropower generation,
- Algal blooms that shutdown Salem's drinking water,
- Warm river temperatures that have killed half a million fish at a time,
- Hot temperatures and drought that have stressed Douglas firs and is leading to tree mortality, which could cost the state half billion in economic losses, and
- Smoke filled skies from intensified wildfires that harms outdoor workers, the sick and elderly, and reduces tourism income.

Each of these impacts harm communities, their livelihoods and deplete the state budget. These impacts will only intensify if we continue business-as-usual practices or avoid taking bold action.

Cap and Invest Model Can Provide Strong Benefits

Cap-and-invest can be the right solution for Oregon. This policy will help reduce pollution, invest in good-paying jobs and improve our communities, and protect our health by cleaning up the air. This program can set Oregon on a new, more sustainable trajectory: one in which clean energy, efficiency, and innovation become new engines of economic development, cut greenhouse gases, and help the state do its share to avert the worst impacts of climate change. Regionally linked programs create economies-of-scale, provide a similar set of rules for businesses across jurisdictions, and leverage larger markets for greater innovation and investments.

Eleven other states, including California, Maine, Vermont and New York, have adopted similar programs and have seen their economies grow while emissions drop. They have fared better through economic downturns, created good-paying jobs, attracted outside investment, and made air quality improvements. The northeastern states that have had a cap-and invest program since 2009 have realized over \$1.4 billion in net economic value.¹ Investments in other states have supported transportation options for low-income households, incentives for

¹<https://www.analysisgroup.com/news-and-events/news/latest-study-from-analysis-group-confirms-that-rggi-program-continues-to-boost-the-economy-and-create-jobs/>

productivity improvements in manufacturing, payments to farmers to build soil health and save water, and support for efficient and affording housing, amongst many other benefits. We want these same opportunities here in Oregon.

Comprehensive climate action remains unfinished business in Oregon. This issue is too important for us to throw up our hands or delay action further while our forests burn, our shellfish die, and water runs out in parts of our state. **Please take action now and pass cap-and-invest this session.**

Sincerely,



Jana Gastellum
Deputy Director for Programs
Oregon Environmental Council



Meredith Connolly
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