



February 21, 2023

TO: Members of the Senate Committee on Energy and Environment

FR: Sharla Moffett, Oregon Business & Industry

RE: SB 522

Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

OBI opposes SB 522 as written. The primary ramification of SB 522 is that it codifies former Gov. Brown's executive order 20-04 to reduce greenhouse gas emissions, thereby increasing the greenhouse gas reduction targets from those passed by the Legislature in 2007. Reductions in greenhouse gas emissions have been made since then. Further, the results of myriad new laws, rules and programs have yet to be realized, let alone measured.

The big challenge we face is that public policy is several steps ahead of the technology and infrastructure needed to achieve these dramatic reductions. We are on the precipice of significant change, thanks in large part to the innovation driven by many proactive private sector companies. But despite this innovation and businesses' best efforts, we are in a challenging transitional period in which we don't have all of the tools needed to reach the established goals. It is important that the Legislature work with industry to facilitate the clean energy transition through incentives and other policies rather than simply establishing higher targets and leaving business to figure it out.

It is worth noting that entities with a long history in climate policy are expressing climate goals differently than a specific percentage reduction below 1990 levels. California references "climate neutrality," whereas the European Union articulates climate goals as "net zero." If Oregon is going to update its greenhouse gas reduction goals, it is worth considering the terminology other entities use in expressing reduction goals.

We are also concerned about a significant expansion of the Global Warming Commission's (Commission) voting and nonvoting members. In 2021, the Legislature passed HB 4077, which expanded the membership of the Environmental Justice (EJ) Council to 13, including a youth representative, required statewide mapping of environmental justice communities and prioritized actions to engage environmental justice communities in state policy and consider the impacts of state policy on EJ communities, among other things. Rather than altering the membership of the Commission, we suggest the Commission engage in consultation with the recently established and robust EJ Council.

Finally, the bill requires that state agencies regularly report to the Commission no less than once each year. We are concerned that this could create significant additional work for state agencies

and have a fiscal impact or redirect resources away from agencies' core missions. The reporting requirements should be clearer and the resources required to implement the reporting requirements should be fully understood. Diverting general fund dollars or increasing fees to pay for the additional reporting requirements is not an acceptable solution from our perspective.

Thank you for the opportunity to provide testimony on SB 522.