

March 30, 2023

Joint Ways and Means Subcommittee on Natural Resources

Testimony on HB 5018: Department of Environmental Quality Budget

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Co-Chair Dembrow, Co-Chair Pham, and Members of the Committee:

Thank you for the opportunity to provide comments on House Bill 5018, the budget for the Department of Environmental Quality (DEQ) for the 2023-25 biennium.

The Nature Conservancy (TNC) is a science-based, non-partisan organization committed to conserving the lands and waters on which all life depends. In Oregon, TNC has over 80,000 supporters and members in every county. Based in communities around the state, we manage lands and waters in varied ecosystems and partner with ranchers, farmers, fishers, timber and environmental interests on some of the most challenging conservation issues facing people and nature.

Oregonians treasure our clean air, clean water, and pristine natural environment. DEQ serves a vital function in protecting these natural resources today and for future generations. The agency also plays a key role in Oregon's efforts to mitigate the effects of the climate crisis. Addressing climate change by reducing emissions, increasing carbon sequestration, and improving ecosystem and community resilience are top priorities for The Nature Conservancy in Oregon and around the world.

TNC would like to express our support of the following funding items, as you consider DEQ's budget for the upcoming biennium:

- **POP 114: Support Implementation of the Climate Protection Program (CPP) and Clean Fuels Program.** As Oregon's chief agency responsible for regulating greenhouse gas emissions, strong funding for DEQ is vital to ensuring Oregon achieves its climate goals, primarily through the implementation of cornerstone climate programs, like the Climate Protection Program (CPP) and Clean Fuels Program. TNC supports additional staff positions and resources to increase the agency's capacity to adequately administer and manage the CPP and Clean Fuels Program. These programs reduce climate pollution while also protecting public health and creating cleaner, cheaper, healthier energy and transportation options that will benefit Oregon families and economy.
- **POP 115: Support Implementation of the Community Climate Investments (CCI) Program.** A key component of the Climate Protection Program, the CCI is a compliance option for regulated entities to invest in clean energy community projects. DEQ's oversight role is critical to maintaining the integrity of the program, achieving reductions in GHG emissions, and ensuring transparency that mitigation projects are benefiting environmental justice communities.

CCI entities, which will be DEQ-approved, third-party 501(c)3 nonprofits, will implement projects which must reduce on average one ton of emissions per credit and will prioritize community projects that provide public health, economic, and environmental benefits for environmental justice communities. TNC supports additional funding to fully implement the CCI Program by adding four new positions to help administer the program and provide oversight to entities.

- **POP 125: Place-Based Planning.** Place-based Water Planning is an important strategy to develop community buy-in towards an equitable, sustainable water future for people and nature. Focusing on both water quality and water quantity, DEQ needs to be sufficiently resourced to participate in the planning processes. TNC supports this package to add staff capacity to support regional planning efforts and to adequately implement the Integrated Water Resources Strategy.
- **POP 140: Environmental Justice Coordination.** TNC supports DEQ's commitment to environmental justice issues and the agency's continued efforts to strengthen and weave equity into all agency divisions. This package authorizes additional staff capacity to advance environmental justice work within the agency. POP 140 will help DEQ develop an environmental justice framework that will help identify and prioritize environmental justice communities, well-positioning the agency to compete for and deploy federal IRA funds equitably and effectively.
- **POP 142: State and Federal Grant Coordination.** DEQ has increased the number of federal and state grants to the agency and increased the number of grants that pass through to other agencies and organizations; all that require substantial tracking and reporting by agency staff. TNC supports this package that will fund two full-time positions to coordinate and support this critical work.

TNC is committed to working with DEQ to ensure the agency has the resources, funding, and staff capacity to work towards meeting Oregon's air, water, and land quality goals. Thank you for the opportunity to express our support and your thoughtful approach to the DEQ budget.