



February 15, 2024

**TO:** Senate Committee on Energy and Environment

**FR:** Sharla Moffett, Oregon Business & Industry

**RE:** Opposition to Senate Bill 1559

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Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. 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.

While we appreciate Sen. Dembrow's willingness to engage the business community on this bill, we remain concerned about the impacts it could have on businesses. SB 1559 could cause numerous state agencies to reopen climate regulations promulgated in just the last couple of years. Businesses must budget, plan for and implement regulations, which may affect a host of business decisions such as product lines, materials, capital investments, workforce needs and others that extend far beyond compliance obligations. Because of the disruption this legislation could cause, we oppose SB 1559.

The Feb. 13 hearing on SB 1559 focused heavily on the Legislature's failure to act this session to increase state greenhouse gas emissions reduction goals. This may have led some to conclude that Oregon is doing little to reduce emissions, which is wholly inaccurate. Oregon has been a national, if not international, leader in establishing policies to reduce emissions. To that end, the state has acted through multiple state agencies to reduce emissions from all sectors. Such efforts include, but are not limited to, the following:

- Clean Fuels Program (DEQ)
- Greenhouse Gas Reporting Program (DEQ)
- Landfill Emissions Rule (DEQ)
- Advanced Clean Trucks Rule (DEQ)
- Advanced Clean Cars Rule (DEQ)
- Oregon Clean Vehicle Rebate Program (DEQ)
- Nine-State MOU on Zero-Emission Residential Buildings (DEQ)
- Employee Commute Options Program (DEQ)
- Climate Friendly and Equitable Communities Rule (DLCD)
- Every Mile Counts (ODOT)
- Oregon Statewide Transportation Strategy: A 2050 Vision for Greenhouse Gas Reduction (ODOT)
- Interagency Zero Emission Vehicle (ZEV) Action Plan (ODOT)

- Transportation Electrification Infrastructure Investments and Future Needs Analysis (ODOT)
- Transportation Planning Rule (ODOT)
- Scenario and GHG Reduction Planning (ODOT)
- GHG Reduction Performance Measures (ODOT)
- Healthy Heating and Cooling for All (ODOE)
- State Energy Strategy (ODOE)
- Build Smart from the Start (BCD)
- Building Performance Standards (BCD)
- Smart State Buildings (BCD)

Oregon has focused tremendous resources on the urgent challenge of reducing greenhouse gas emissions. Many Oregon businesses are engaged in this effort as well, whether by manufacturing key products for the clean energy economy or investing heavily in innovations that will reduce emissions. The significant involvement of Oregon's businesses in this effort should not be discounted or ignored.

OBI supports reasonable, workable climate policies that result in actual, net global greenhouse gas reductions, do not result in a competitive disadvantage to Oregon businesses, address the unique challenges of Oregon's diverse business sector and nurture Oregon-based innovation.

Even as Oregon and its employers work to reduce greenhouse gas emissions, policymakers must look at climate policy through a wider lens. Policies that reduce emissions in Oregon while increasing emissions elsewhere are counterproductive.

Because Oregon's efforts to reduce greenhouse gas emissions are frequently disjointed, uncoordinated and even counterproductive, we believe it is time to expand the conversation. It is not enough simply to set goals. Instead, we must engage in a comprehensive legislative conversation to address flaws in the Climate Protection Program. The business community stands ready to work toward finding solutions that will achieve greenhouse gas reductions and provide reasonable compliance paths for regulated entities.

Chair Sollman and members of the committee, OBI respectfully requests your help in setting a table to have such a conversation in advance of the 2025 session. We are committing in earnest to working with you and other stakeholders to set Oregon on a better path toward achieving greenhouse gas reductions and supporting Oregon's economy.

Thank you.