

To Senate Committee on Energy and Environment Support for SB 1187 – Make Polluters Pay Their Share

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Chair Sollman, Vice-chair Brock Smith and members of the committee,

My name is Dr. Pat DeLaquil. I am an energy system modeler and climate policy analyst, and I organize with **MCAT** (Mobilizing Climate Action Together), a community of volunteers working on advancing a healthy climate and a green economy for future generations.

I am writing today in support of SB 1187, which is designed to help our communities cope with the rising costs of damages to our infrastructure resulting from the increasing frequency and severity of storms, wildfires, droughts, heat domes, and other forms of extreme weather. Currently, we the taxpayers are fully exposed to these rising, climate-change-induced costs that our tax bases cannot keep up with.

You know me as a climate activist, but this is not really a climate bill, in the sense of reducing greenhouse gas emissions. It simply says: “Hey fossil fuel suppliers: You sold us the products which have produced this problem, and you made a lot of profit from that exchange. Now that these known problems are manifesting, we believe it’s only fair that you pay a fair share of these costs – in proportion to the historical amounts you have provided. It’s not fair that we, the consumers, should be the only ones that have to pay for dealing with this growing problem. The suppliers must pay as well”

SB 1187, currently under the title of Make Polluters Pay, is in fact a Municipal Taxpayer Relief Bill

The bill would require the largest fossil fuel suppliers to pay reparations for the current damages resulting from past climate change emissions. The Oregon Department of Land Conservation and Development (DLCD) would lead an interagency team to administer the bill’s provisions. This team would evaluate climate-induced damages and develop a damage recovery amount. The size of the Oregon fund is yet to be determined, but New York had studied their damages and arrived at a value of \$75 billion to be paid over 25 years. The New York value provides a ballpark estimate for the size of an Oregon fund.

The recent Special Legislative Session over past fire-fighting costs should be seen as an example of more damage costs to come, and SB 1187 provides guidance to the climate resilience implementation strategy that allocates 30% of the funds to wildfire prevention and 40% to environmentally impacted communities. In addition to wildfires, funds can be used for flood protection, upgrades to transportation and electric power grids, water supply and waste-water treatment systems, agriculture and fisheries, building retrofits, health of forests and other ecosystems, and other salient needs.

Only the largest suppliers of coal, petroleum products and natural gas will be covered, and required to pay into the fund in proportion to their share of greenhouse gas emissions during the 1995-2024 period. This is the reason that the companies will not be able to pass the cost of this damage recovery fee onto consumers. Fossil fuel prices are set by global and regional markets, and this bill doesn’t impact the marginal cost of production. Because only the largest producers will be covered by this bill, there will be enough market competition to prevent impacts to prices. Besides, as taxpayers we are already paying 100 % of the cost, and were only asking the fossil fuel companies to pay their fair share!!

There is solid legal precedent saying that polluters have to pay regardless. Starting with Love Canal, superfunds have been implemented for variety of pollution clean-ups. This is no different. It’s simple: The fossil fuel suppliers sold us the products which have produced this problem, and they made a lot of

profit from that exchange. Now that these known problems are manifesting, it's only fair that they pay a fair share of these costs. It's not fair that taxpayers should be the only ones that have to pay for dealing with this growing problem.

Finally, SB 1187 does not regulate emissions. It establishes a cost for an economic externality. That externality – the future damages that burning their product has generated – is now producing costly damages to our communities and infrastructure. Without this fund, the burden falls to our local and municipal governments, who are already struggling to fund their infrastructure agencies and emergency services, let alone invest to harden their roads and bridges against extreme weather.

I urge you to support SB 1187 because it's about fairness in paying the growing cost of climate damages. It's also about fossil fuel companies accepting responsibility for selling a product that they knew would damage the climate. Most critically, support SB 1187 because it's needed by every community in Oregon that otherwise will have a growing inability to balance their budgets without major tax increases.

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