

March 19, 2013

Senator Lee Beyer, Chair Members of the Senate Committee on Business and Transportation Oregon State Capitol Salem, OR 97301

RE: Senate Bill 242

Dear Senator Beyer,

I am writing in support of Senate Bill 242 and the -1 amendment. Climate Solutions is a regional, clean energy economy nonprofit whose mission is to accelerate practical and profitable solutions to global warming.

Senate Bill 242 amends Oregon's Emissions Performance Standard (EPS) (ORS 757.522-757.538) which establishes the maximum amount of carbon dioxide (CO2) emissions that are permitted for baseload electric generating plants. In general, the EPS restricts utilities from making *new* long-term financial commitments to either owned or contracted generating plants that exceed the standard. This law was passed in 2009 in an effort to end new long-term investments in coal-fired generation, due to their financial and environmental risks. Climate Solutions belives that an Emissions Performance Standard is key to continuing to redirect investment from high-carbon coal resources toward clean energy.

This bill remedies a problem created with the law as it was interpreted after passing in 2009. As written, the EPS only applies to generating facilities located in Oregon, despite the intent that the law was to apply to any generating plant used to serve Oregon customers. The change to the definition of "baseload electricity" in the amendment remedies this problem.

Second, the -1 amendment is a compromise in that it establishes the standard going-forward at the current level of 1,110 pounds of greenhouse gas emissions/MWh, rather than allowing subsequent review of the standard every 3 years. This amendment also creates an exception for coal plants currently owned by Oregon utilities that may, in the future, transition off of coal, but be powered by another fuel source.

We ask the Committee to pass Senate Bill 242 as amended by the -1 amendments.

Thank you,

Ann E. Gravatt
Oregon Director

ClimateSolutions.org

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Portland