

February 2, 2016

Chairman Chris Edwards and Members
Senate Committee on Environment and Natural Resources
Oregon State Legislature
Salem, Oregon

Re: SB 1574 (Healthy Climate Act) – SUPPORT

Mr. Chairman and Members:

Thank you very much for the opportunity to testify today. My name is Jason Barbose and I am the western states policy manager with the Union of Concerned Scientists. UCS is a non-profit organization that puts rigorous science to work for a healthier planet and a safer world, and one of our top priorities is helping people and elected officials respond to the challenge of climate change.

Before getting to the specific merits of this bill, I think it's important to note that you all are considering this legislation at an incredibly significant moment in the global response to climate change. Just two months ago in Paris 195 nations agreed to a shared responsibility to keep global temperature rise this century well below 2 degrees Celsius and to drive efforts to limit the temperature increase even further to 1.5 degrees Celsius above pre-industrial levels. That objective likely requires achieving net zero emissions of carbon dioxide between 2050 and 2070.

While presidents and prime ministers made the trip to Paris, we know their commitments are made real by legislative leaders like you who implement climate-protecting policies at the local level. Therefore, it is imperative that you are able to adopt and implement policies that effectively reduce emissions while protecting consumers, the economy, and vulnerable communities and industries.

We believe a market-based cap on global warming emissions, as envisioned by SB 1574, is a smart, powerful, and flexible tool to address climate change. Simply put, a price on carbon makes it more expensive to emit carbon. That means that producers and consumers will seek ways to cut back on their use of technologies and products that generate carbon. It means decisions can better reflect the true costs of doing business—and there will be a market incentive to invest in measures that would help cut emissions, as well as ramp up technologies that produce low or zero carbon energy or increase energy efficiency. In addition, a price on carbon can generate significant revenue that can be used for a variety of public policy priorities.

In adopting this bill, Oregon would be joining other states, provinces and countries that are successfully reducing emissions with a price on carbon pollution. The world's first carbon cap-and trade program, launched in 2005, was in the European Union. British Columbia

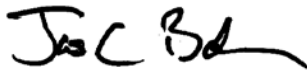
implemented a carbon tax in 2008. Nine Northeast and Mid-Atlantic states have effectively reduced carbon pollution from the power sector with a regional cap and trade program since 2009. California has had a multi-sector cap-and-trade program – very similar to the program proposed in this bill – in operation since 2013. Quebec fully linked with that program in 2014 and Ontario is soon to join as well. Meanwhile, many more states are considering carbon trading programs as part of their compliance plans for the federal Clean Power Plan. China has also launched a number of pilot cap-and-trade programs at the provincial level and intends to launch a national trading program within the next few years. All told, nearly one-quarter of all climate pollution worldwide will be priced by the end of this year. And there are numerous large corporations that already use an internal price on carbon to inform their business decisions.

I offer this laundry list to stress the point that this is not a hypothetical policy tool; it is a tested tool—that has been refined with each new iteration—and is succeeding in cost-effectively reducing pollution. Oregon has the chance to build on these successful examples in order to create a program that reduces pollution and meets the unique needs of Oregonians.

While there are small refinements that could be made, we believe this is a strong proposal that will harness the power of the market to drive down emissions cost-effectively, foster a shift to cleaner energy, and drive innovation in low-carbon technologies. It will serve as an important compliment to other low-carbon policies, such as programs to increase the use of renewable energy and low carbon fuels, providing an important backstop to those programs to ensure Oregon meets its statutory obligation to steeply reduce emissions by mid-century.

For these reasons, we request your support for SB 1574.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Barbose". The signature is fluid and cursive, with the first name "Jason" and last name "Barbose" clearly distinguishable.

Jason Barbose
Western States Policy Manager