



February 2, 2016

Senator Chris Edwards, Chair
Senate Committee on Environment and Natural Resources

RE: SB 1574 – The Healthy Climate Act

Dear Chair Edwards and members of the committee:

The City of Eugene and EWEB are committed to addressing global climate change and strongly support the passage and implementation of greenhouse gas (GHG) emissions reduction legislation. We believe the best solution to regulating emissions is one that is direct and market-based, providing a statewide mechanism that reflects both current climate science and the realities of the economy. Only then can Oregon successfully reach its adopted GHG emissions reduction targets in the most cost-effective manner.

Starting in 2010, Eugene joined a growing list of cities around the world that are addressing climate change and energy challenges by doing local planning with vision and creativity. We have built an award-winning climate action program that calls for deep cuts in our community emissions guided by the actions in our Climate and Energy Action Plan. We also adopted the Climate Recovery Ordinance in July 2014 and became the first city in the country to both put our GHG reduction goals into law and require a plan to meet the goals. Our community recognizes the need to take immediate action in reducing greenhouse gas emissions. Over 75% of Eugene residents agree that stronger regulations of GHG emissions are needed, and their community voice echoes others throughout the state in support of the Healthy Climate Act.

However, we cannot achieve these ambitious goals without the state as a partner. Supportive state policy in areas of carbon pricing, transportation investments, clean fuel standards and others provides an essential and necessary platform for local action. On April 22, 2015 the Eugene City Council adopted a resolution in support of a statewide carbon pricing policy (see attached Resolution 5130).

While starting with a national policy may make the most sense, the current political environment in Washington, D.C. is unlikely to develop a national solution soon enough. Time is running short and we need action now. It is time for states and regions to lead the way, and indeed they already are. The State of California and the province of British Columbia have already adopted direct GHG emission reduction policies, and the State of Washington is considering a carbon pricing policy. So Oregon will not be taking this step alone. With the Oregon as a partner, together the West Coast region can cooperatively address the many actions and carbon policy solutions we need to put in place to meet our GHG reduction goals.

The Oregon Global Warming Commission's 2015 Report to the Legislature informed us that without substantive and fairly quick action we will not meet our state GHG reduction goals. The Report had both good news and bad news. The good news is that we know what actions it will take to meet our goals; the bad news is that none of the actions in the plan are in place. The Healthy Climate Act can help alleviate this problem.

In the past decade Oregon has already implemented several GHG reduction policies. These policies have typically focused on just one sector at a time and often targeted GHG emission reductions indirectly through fuel or energy generation standards. While these policies have proved important in changing the trajectory of state GHG emissions for the better and provided other benefits to Oregon, we need the most direct, comprehensive and efficient approach possible to reliably reach our state GHG emissions goals in the most cost-effective way possible. Carbon pricing through cap and investment offers just such a solution.

As you've heard, similar legislation in California (AB 32) has produced not only significant reductions in greenhouse gas emissions, but has also made remarkable investments throughout the state in projects and programs that have created jobs and invigorated local economic development, while making sure those less fortunate are not harmed. The Healthy Climate Act can successfully deliver those outcomes for Oregon as well and we urge you to approve this legislation.

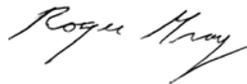
The City of Eugene and EWEB urge the committee to support SB 1574.

Thank you for your consideration.

Sincerely,



Kitty Piercy
Mayor of Eugene



Roger Gray
EWEB General Manager



COUNCIL RESOLUTION NO. 5130

**A RESOLUTION SUPPORTING A CARBON PRICING POLICY FOR
THE STATE OF OREGON.**

PASSED: 5:2

REJECTED:

OPPOSED: Poling, Clark

ABSENT: Evans

CONSIDERED: April 22, 2015



RESOLUTION NO. 5130

A RESOLUTION SUPPORTING A CARBON PRICING POLICY FOR THE STATE OF OREGON.

The City Council of the City of Eugene finds that:

A. The City Council is compelled by the scientific consensus that carbon dioxide emissions are the primary cause of global climate change.

B. The City Council agrees that climate change is a crisis demanding immediate measures to reduce its negative effects.

C. Climate change is a threat to public health, national security, food security, and business supply chains. These have costs to our society that are not reflected in the price of fossil fuels.

D. The City Council believes that assigning a cost to carbon dioxide emissions is one of the most efficient ways to decrease carbon pollution, discourage consumption of fossil fuels and encourage development of alternatives.

E. The *2013 Tax and Shift: How to Make it Work for Oregon's Economy* report published by the Portland State University Northwest Economic Research Center and the December 2014 report to the legislature on the feasibility of a fee or tax on greenhouse gas emissions, also by Northwest Economic Research Center, conclude that imposing a price on carbon within the State of Oregon would have relatively small impacts on the economy and would significantly reduce greenhouse gas emissions.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF EUGENE, A Municipal Corporation of the State of Oregon, as follows:

Section 1. The City Council requests that the Oregon State Legislature carefully craft legislation to impose a carbon pricing policy, in part relying on modeling described in the reports outlined in the above findings and the experience of British Columbia with special attention for mitigating adverse impacts on low income families.

Section 2. The City Council urges the Environmental Protection Agency to allow states the option of voluntarily using market based, economy-wide carbon pricing as an alternative compliance mechanism for the Clean Power Plan.

Section 3. A copy of this resolution shall be forwarded to Governor Brown, Senators

Wyden and Merkley, Congressman DeFazio, and the City's local state legislative delegation. The City shall lobby in its support when appropriate.

Section 4. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted on the 22 day of April, 2015.

Beth Louest

City Recorder