



Tuesday, February 2, 2016

Chairman Chris Edwards  
Senate Committee on Environment and Natural Resources  
900 Court St NE, S-411, Salem, OR, 97301

Members of the Senate Committee on Environment and Natural Resources,

The Industrial Customers of Northwest Utilities (ICNU) was founded in 1981. ICNU is a non-profit organization comprised of 38 industrial companies that have over 160 facilities and form the economic backbone of the Pacific Northwest. ICNU has a large and diversified base from which to develop and influence energy policies in the Northwest.

ICNU members provide 170,000 jobs in such industries as aeronautics, metals, pulp and paper, food processing, information technology, air products, healthcare and more in Oregon and Washington. Since its founding in 1981 ICNU's efforts have saved industrial consumers millions of dollars in electricity costs. ICNU actions are based on the fundamental belief that a healthy, growing industrial base promotes a rich and vibrant Northwest economy.

Policies put forth in SB 1574 would drastically damage the health of our economy. In Oregon, we recognize the important need to balance economic growth with protecting one of our greatest assets, Oregon's natural environment. Oregon's energy generation portfolio already is 77 percent carbon free. All across the state, Oregon businesses have been leading efforts to reduce energy costs by reducing energy use and cutting carbon emissions. Currently, in Oregon the industrial sector emits less carbon than it did in 1990 and Oregon has one of the cleanest economies in the country. This is quite an achievement when you consider the fact that Oregon also has the 2<sup>nd</sup> most dependent economy on manufacturing, which represents 30 percent of GDP. According to the most recent Northwest Power and Conservation Council's latest regional energy plan, the region will reduce its carbon emissions by 38 percent over the next four years. Clearly, we are heading in the right direction.

Today, Oregon enjoys energy costs that are below the national average, while still boasting one of the cleanest economies in the country. Businesses can operate here in a more cost-effective and environmentally friendly than other locations. In hiking Oregon's energy prices, as proposed by SB 1574, the bill would wipe out any competitive advantage that Oregon enjoys forcing companies to look to locate in more carbon intensive, and cheaper areas.

Cap and Trade legislation will have a dramatic impact on seniors and families least able to afford it. This energy tax hits our employees, Oregon's working families and those living on a fixed income the hardest. Consumers will be forced to pay higher prices for food, heat, and gas. Oregon cannot afford new policies that would make it drastically more expensive to do business here in Oregon. The state needs more employment opportunities and good paying

jobs. Stagnant wages and a struggling middle class rely on good family wage jobs provided by ICNU member companies. Since California adopted its cap and trade program, it has had one of the worst manufacturing job growth rates in the country – only 2 percent compared to a national average of 7.6 percent. Adopting California’s policies would drive manufacturing from Oregon to other states with less stringent carbon policies.

On behalf of the companies we represent, and the hardworking and dedicated professionals we employ, please oppose SB 1574.

Sincerely,

John Carr  
ICNU Executive Director