

# No-coal 'accounting scheme,' phantom environmental gain

From the Desk of  
Senator Ted Ferioli

House Bill 4036 is more about state bragging rights than creating effective policy, meaning Oregonians might pay more for energy without reducing carbon emissions



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A shovel prepares to dump a load of coal into a 320-ton truck at the Black Thunder Mine in Wright, Wyoming. A bill to wean Oregon off coal-powered energy sailed through the House, despite testimony from the Public Utility Commission chair that the legislation was flawed, included sweetheart provisions for utilities, and would be both "costly and ineffectual."

Oregon Public Utility Commission Chairwoman Susan Ackerman's testimony about an anti-coal bill lacked the rhetorical punch of her colleague, who condemned an early version of the proposal in an email as "absolute crap."

But her comments this week to legislators, while cleaned up for a political audience, hit some of the same notes in describing the effects of House Bill 4036, which would require utilities to stop importing electricity from coal-fired plants by 2030 and set a target of meeting 50 percent of energy demand with renewable sources by 2040. While the commission neither supports nor opposes the bill officially, it's hard to see a lot of enthusiasm in such comments as these.

The ban on importing power generated by out-of-state coal plants would be "both costly and ineffectual," she said. "It will raise customer rates but it will not actually reduce the amount of carbon emitted from those plants in the air as compared to a future without that (ban)." Oregon may claim it's meeting its greenhouse goals, but not by achieving any actual reductions, she added, saying "it's an accounting scheme."

In other words, the bill is more about giving Oregonians meaningless bragging rights than creating effective policies that achieve what legislators – supposedly – want: reduced carbon emissions.

This is not a surprise. Anyone who genuinely wanted to restructure energy policy to be effective, efficient and sustainable would not have sought to ram through these massive changes in a short session. Nor would they have so readily cut the utility com-

mission out of the development of the bill, which was hatched by an invitation-only collection of environmental groups, renewable energy advocates, PacifiCorp and Portland General Electric leading up to the legislative session, as The Oregonian/OregonLive's Ted Sickingler has reported. It should raise Oregonians' suspicions that the group felt that input from the commission tasked with regulating those utilities and ensuring Oregonians receive reliable service for fair rates was just too darn inconvenient to seek.

Commissioners, who got wind of the bill as it was taking shape, were able to do their own evaluation of the proposals, identifying many flaws that they believed the governor's office and the public should be aware of. But when the bill's backers issued a Jan. 6 press release touting the benefits of the proposal they brokered, Ackerman was kept the commission's concerns quiet until they talked further. So even as reporters sought the commission's views to counter the one-sided kumbaya hype emanating from the environmental groups and utilities, Ackerman could not share the commission's concerns about the potential costs to consumers, the ineffectiveness of reducing carbon, and the absence at the table of experts looking out for the public.

Turns out that legislators also found the utility commission's alarms too inconvenient to consider. The bill sailed through the House, despite the commission's testimony about its flaws and the sweetheart provisions for utilities that would be borne by ratepayers. It was not until the bill reached the Senate's Business and Transportation Committee, chaired by former public util-

ity commissioner Sen. Lee Beyer, D-Springfield, that the bill was amended to build in a little more control for regulators.

Ackerman's testimony is worth a listen, especially in light of backers' shameless efforts to spin the bill as a big win for the environment. As Ackerman repeatedly noted that the ban on importing energy from coal-fired plants will not reduce carbon, Sen. Chuck Riley, D-Hillsboro, asked if there could be reductions if other states followed Oregon's lead.

The question pleased the bill's environmental organization backers, who tweeted about Riley's "good point." Unfortunately, that good point isn't backed by good logic. As Ackerman pointed out, the coal plants operate in coal-producing states like Montana, Wyoming and Utah, which are highly unlikely to vote to close them down. The impotence of the Oregon bill on the operation of these coal plants is a point that even the utilities concede, Ackerman noted. If Oregon really wanted to work on a policy that would reduce carbon, it should be examining carbon taxes or a cap-and-trade program, she said. But forcing this bill through with all its sweeping changes would sap the state's ability to structure and pass something more meaningful.

If legislators believe that reducing carbon emissions is a top priority, then they should focus their attention on the most effective way of doing so in a process that's not artificially constrained by ballot measure threats or self-serving deadlines.

Unfortunately, the Legislature and Gov. Kate Brown are making it clear that phantom benefits, as long as they make us sound good, are good enough.

— The Oregonian/OregonLive editorial board