



March 20, 2017

Representative Ken Helm, Chair
House Energy and Environment Committee
Oregon State Capitol
Salem, OR 97301

Re: House Bill 2020

Chair Helm and Members of the Committee,

We write in strong support of House Bill 2020's emphasis on the integration of climate into the mission of the Oregon Department of Energy (ODOE), ensuring a comprehensive approach to statewide energy and climate issues. With recommended amendments outlined below, HB 2020 can help position ODOE and the state to excel in transitioning to a leading clean energy economy.

Climate Solutions believes that ODOE has a critical role to play transitioning Oregon to a clean energy economy and achieving our state's greenhouse gas reduction goals. Oregon needs a strong state energy department to lead on energy planning, innovation, and facility siting; and to provide technical expertise, data, and thought leadership.

We commend the process convened by the Joint Interim Committee on Department of Energy Oversight ("Joint Oversight Committee") to assess the agency's purpose and the important role a strengthened and trusted ODOE could play for the state. Of the many bills proposing approaches to restructure the agency, HB 2020 best reflects the Joint Oversight Committee's Draft Committee Report & Recommendations.

Energy and climate issues are interdependent.

There is a clear nexus between statewide issues, analysis and policies involving energy and climate. Combustion of fossil fuels to electrify and heat our homes and businesses and power our engines are the primary sources of greenhouse gases in Oregon. Decisions regarding energy are at the heart of our state's climate action. At the same time, ambitious climate policies that reduce our carbon footprint can catalyze Oregon's transition to a clean energy economy and increase our state's energy security.

As one recent example, the passage of Senate Bill 1547 in 2016 was meaningful climate action that chartered a new course for Oregon's energy future, and ODOE has an important role to play in its successful implementation. Integrating the analysis, oversight and management of

these closely related policy areas across agencies, but especially within the energy department, makes sense for the state.

Like many organizations and citizens in Oregon, Climate Solutions looks ODOE to provide nonpartisan data and analysis on a regular basis. Our state's energy resources are critically important to the health of our state economy and the well-being of all Oregonians. In response to global warming and the changing economics of clean energy, Oregon's energy system is rapidly evolving. Oregon needs the leadership of a strong energy department with a focus on climate and clean energy to inform this transition.

This excerpt from the Draft Committee Report & Recommendations dated October 31, 2016 by the Joint Oversight Committee summarizes this point (*underlined emphasis added*):

Energy and climate issues play a significant role in the lives of Oregonians and their importance will continue to grow. The state's citizens benefit from having an agency that takes a statewide view of these issues and policies. The primary purpose of the Oregon Department of Energy is to ensure that Oregonians have a sustainable, resilient supply of safe and affordable energy, while mitigating greenhouse gas emissions. It is the Legislature's responsibility to direct how this role is accomplished.

While energy efficiency, conservation and the growth of renewable sources will continue to be important elements of the state's energy future, the agency mission needs to be updated to recognize today's energy world. Some issues, such as climate policy, require more attention and better coordination at the state level. The role of natural gas and renewable generation in the state's energy picture is changing and is just one example of the need for a strategic state energy plan and an agency equipped to both develop and implement that plan.

Interagency coordination on climate change is critical.

State-level action to reduce greenhouse gases is urgently needed to address the ongoing risks to public safety, our environment, our climate, and local economy posed by climate change. A gap identified in the most recent report by the Oregon Global Warming Commission to the legislature underscores why climate issues require cross-agency coordination in addition to integration into the core mission of ODOE.¹

¹Oregon Global Warming Commission, Biennial Report to the Legislature 2017, http://www.keeporegoncool.org/sites/default/files/ogwc-standard-documents/OGWC%202017%20Biennial%20Report%20to%20the%20Legislature_final.pdf
ClimateSolutions.org

“Oregon’s GHG emissions are not under control, and both GHG abatement and preparation for impending climate change need systematic, not random and opportunistic, attention.”

We agree that climate policy requires more attention and better coordination at the state level. The “Interagency Climate Coordinating Committee” created by HB 2020 enable the state to address climate-related issues that cross agency jurisdictional boundaries. This coordinating approach could help the state develop pathways to achieve needed emissions reductions across agencies to meet state targets.

Recommendations for amendments:

- Structural limitations: Even a re-envisioned ODOE may naturally be more focused on policies and issues related to energy than climate. While issues of energy and climate are deeply intertwined, this model and the makeup of the proposed Energy and Climate Board and Interagency Climate Coordinating Committee leave out other core climate areas such as public health and environmental justice, and may only give perfunctory consideration to transportation-related issues.
- Authority and accountability: The Energy and Climate Board envisioned in HB 2020 only serves in an advisory role to ODOE, which leaves open the question of whether more oversight and authority is required. This Board’s composition includes multiple energy users, producing some inherent conflicts of interest if climate is a focus of the agency (or worse, an appearance or reality of the proverbial “fox guarding the henhouse”). While a somewhat prescriptive approach to the makeup of the Board may be desired, the descriptions used also leave open many possibilities. For example, the “expert in transportation” would bring very different perspectives depending on whether they were from the trucking association, metro-level planning, clean fuels sector or an electric vehicle company. Also, at least two experts (whether or not from the university system) - one in energy and one in climate - would better support the Board’s purposes.
- Climate Census Report: The climate census report envisioned by the bill identifies and evaluates all programs relating to climate change across agencies. We have some concerns with what metrics would be used to identify and evaluate these programs’ successes and how this report would fairly account for programs’ climate and health benefits.
- Replacing the Global Warming Commission: HB 2020 does not offer a full replacement for the Global Warming Commission that it abolishes. For example, a key tool provided by the existing Commission to the legislature and stakeholders that does not appear in this bill is the biennial report on greenhouse gas emissions and climate policies. We recommend that report be added as a requirement. Additionally, a representative of

ClimateSolutions.org

Seattle
1402 Third Avenue, Ste 1305
Seattle, WA 98101
tel 206.443.9570
fax 206.624.2022

Olympia
219 Legion Way SW, Ste 201
Olympia, WA 98501
tel 360.352.1763
fax 360.943.4977

Portland
222 NW Davis St, Ste 300
Portland, OR 97209
tel 503.332.9893

ODOE should play a coordinating role for the Interagency Climate Coordinating Committee to ensure its effectiveness. Other roles currently played by the Global Warming Commission should be integrated into ODOE to ensure we strengthen rather than lose its high level of value to the state's climate policy development and decisions.

- **RETC extension:** Financial incentive programs play an important role in accelerating clean energy technologies and solutions.² Prudently designed and capably administered incentive programs can deliver real savings for households and businesses while improving energy efficiency and reducing their carbon footprint. We are disappointed HB 2020 does not adopt the Joint Oversight Committee's recommendation to continue the Residential Energy Tax Credit (RETC) program for at least two years. RETC provides real benefits to residents across the state as well as the hundreds of renewable energy and energy efficiency companies that employ thousands of Oregonians.

With these recommended amendments, we strongly support HB 2020.

Thank you for your consideration of these comments.

Sincerely,



Meredith Connolly
Oregon Policy Manager
Climate Solutions

About Climate Solutions: Climate Solutions is a regional non-profit working to accelerate practical and profitable solutions to global warming.

² U.S. Energy Department's National Renewable Energy Laboratory (NREL), "NREL analysis finds tax credit extensions can impact renewable energy deployment and electric sector CO2 emissions," February 22, 2016: <http://www.nrel.gov/news/press/2016/22645>
ClimateSolutions.org