Smith Holly

From: Connie Eisele <connie.eisele@gmail.com>
Sent: Thursday, April 06, 2017 10:57 AM

To: HEE Exhibits

Subject: Oregon HB 3343, the Climate Test bill - Public Testimony Submission

Honorable members of the Committee:

I strongly support HB 3343, the Climate Test Bill and urge you to support this legislation for the following reasons.

- The fossil fuel industry wants to use Oregon as a gateway to Asian markets for their dirty fuels. To do
 so, they need to build pipelines and export terminals of record-breaking scale, i.e. infrastructure megaprojects.
- Oregon regulations do not currently consider climate when reviewing permit applications for fossil fuel mega projects that needs to change.
- Under the Climate Test, the Oregon Dept. of Energy would coordinate all environmental permit processes, which currently are handled individually with no communication between agencies.
- Additional considerations like health impacts on environmental justice communities and impacts on indigenous Tribes are part of the Climate Test.
- Lastly, the Climate Test will examine the economic viability of a fossil fuel mega-project in a global energy economy that will limit global warming to well below 2 degrees C.
- If the likely economic benefits under the "2 degree C scenario" do not outweigh the cumulative negative impacts, the permit will not be issued.

Please continue to make protecting Oregon's environment a top priority.

Sincerely, Connie Eisele 3530 E Game Farm Rd Springfield OR 97477

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, IN SUPPORT OF CLIMATE TESTING IN CONDUCTING REVIEWS FOR APPROVAL OF PROPOSED FOSSIL FUEL INFRASTRUCTURE PROJECTS.

WHEREAS, the rapid development of fossil fuel resources in the western U.S. and Canada has resulted in numerous facility and infrastructure projects proposed to transport coal, diluted bitumen, natural gas, propane or other fossil fuels through the West Coast; and

WHEREAS, fossil fuels pose risks to safety, health, and livability, including mobility of people, other freight, and other commercial vehicles and pose considerable risks in the event of a major earthquake; and

WHEREAS, the extraction and combustion of fossil fuels are significant sources of greenhouse gas emissions and major contributors to climate change and pollution; and

WHEREAS, given the record of crude oil, coal and other fossil fuel transport accidents, such as Lac Megantic in 2013, the 1999 Bellingham pipeline leak or a coal train derailment, an event could have catastrophic effects if it occurred in any of Oregon's populated areas; and

WHEREAS, historically, when environmental accidents do occur, litigation over damages is drawn out over years, deflecting blame while undercutting timely assistance to affected communities; and

WHEREAS, economic opportunities presented by expanding fossil fuel infrastructure are modest, with few jobs and little value added; and

WHEREAS, local, regional and global economies are transitioning to low-carbon energy sources, and West Coast businesses are leaders in providing energy efficiency and renewable energy technologies and services; and

WHEREAS, the future of the fossil fuel industry is questionable given global action to reduce greenhouse gas emissions; and

WHEREAS, climate change, if unchecked, will continue to impact human health, natural systems, and infrastructure, creating new costs for individuals, businesses, and governments; and

WHEREAS, 27 Oregon and Washington communities have passed resolutions addressing fossil fuel transport and export, and hundreds of public officials, including the governors of Oregon and Washington, state and federal agencies, tribes, health organizations, religious leaders and other community leaders, have recognized the harms presented by fossil fuels to the environment and Northwest communities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, THAT:

- The City of Milwaukie supports climate testing in conducting reviews for approval of proposed fossil fuel infrastructure projects
 - to consider effects on climate change when reviewing fossil fuel infrastructure permit applications; and
 - to consider health impacts on environmental justice communities when reviewing fossil fuel infrastructure permit applications; and
 - to consider impacts on indigenous Tribes' ability to practice their traditional customs when reviewing fossil fuel infrastructure permit applications; and
 - to consider economic viability of fossil fuel infrastructure in a global economy that is on a path to limiting climate change to well below 2 degrees C when reviewing fossil fuel infrastructure permit applications; and
 - to consider the cumulative negative impacts of the above criteria, combined with other environmental impacts under the jurisdiction of State agencies in comparison to potential benefits; and
 - to deny the issuance of a permit to the proposed fossil fuel infrastructure if the negative impacts outweigh the benefits.

Introduced and adopted by the City Co	ouncil on4/4/17_,
This resolution is effective on 4/4/1	
	MM
	Mark Gamba, Mayor
ATTEST:	APPROVED AS TO FORM: Jordan Ramis PC
Dad SAM	
Scott S. Stauffer, City Recorder	City Attorney



FRIENDS OF THE COLUMBIA GORGE

SUBMITTED VIA EMAIL

April 7, 2017

House Committee on Energy and Environment 900 Court St. NE Salem, OR 97301 hee.exhibits@oregonlegislature.gov

Re: Friends of the Columbia Gorge Comments in Support of HB 3343 and the -1 Amendments – the Oregon Climate Test

Dear Chair Helm and members of the committee:

Friends of the Columbia Gorge ("Friends") submits the following comments in support of HB 3343 and the -1 amendments – the Oregon Climate Test. Friends is a non-profit organization with approximately 6,000 members dedicated to protecting and enhancing the resources of the Columbia River Gorge. Friends' membership lives, works, and recreates in the Columbia River Gorge.

Oregon communities are in the crosshairs of crude oil trains. The threat was illustrated last June when an oil train in Mosier derailed and spilled oil into the Columbia River, causing a large fire near homes and an elementary school. Since 2015 when Congress lifted the crude oil export ban, there has been a great interest in siting fossil fuel terminals on the West Coast for export to Asian markets. There is no pipeline capacity to the Pacific Northwest for oil so it must be shipped by rail. The only routes to Oregon and Washington that will accommodate full oil and coal trains from points east travel through the Columbia River Gorge National Scenic Area ("Scenic Area" or "Gorge"). As a result, Friends has fought hard against oil and coal terminal proposals in Oregon and Washington. Fortunately, the lion's share of terminals have been proposed in Washington where there is comprehensive environmental review for fossil fuel terminals. However, Oregon is a soft target (see the attached graphic). Oregon has the weakest laws on the west coast related to oil trains and fossil fuel terminals. In the Mosier derailment, oil spill, and fire, Oregon had to rely heavily on the Washington Department of Ecology for assistance. Both California and Washington have state environment policy acts that require comprehensive environmental review of coal and oil terminals. Due to our lax laws, as soon as the price of oil rebounds, Oregonians can expect to see more proposals for coal and oil export terminals.

I. Oil Trains and the Mosier Derailment

Of course, the elephant in the room is the Union Pacific Railroad Company ("Union Pacific") derailment in Mosier. On June 3, 2016, a Union Pacific train carrying highly flammable Bakken crude oil derailed in the community of Mosier. When Bakken crude oil trains derail they inevitably break open, leak, and ignite. That is exactly what happened in Mosier even though reinforced railroad cars were in use. As a result of the derailment, one tank car was punctured, the volatile oil ignited, and three additional tank cars caught on fire. The Federal Railroad Administration (FRA) determined on June 23, 2016 that "Union Pacific's failure to maintain its track and track equipment resulted in the derailment."



Explosive fire in Mosier caused by a Bakken crude oil train derailment. The large white building is the Mosier K-12 school that was filled with children at the time of the crash. The building would have been "incinerated" if the normally prevailing winds were blowing on that day according to Mosier Fire Chief Ron Appleton. Photo by Paloma Ayala.

¹ Federal Railroad Administration, PRELIMINARY FACTUAL FINDINGS REPORT, Derailment of Union Pacific's Unit Crude Oil Train ONETU 02 Transporting Bakken Crude Oil for U.S. Oil, Mosier, Oregon (June 23, 2016).

² *Id*.

 $^{^3}$ Id.

Oil trains, being heavier and carrying a commodity that tends to slosh around when the train speeds up or slows down, tend to have greater than average accident incidence.⁴ Their weight also can damage tracks.⁵ Oil trains are trouble on even the best maintained tracks. However, maintenance of railroad tracks on oil train routes is notoriously bad (see attached article from KGW).⁶ "Government inspections of railroads that haul volatile crude oil across the United States have uncovered almost 24,000 safety defects, including problems similar to those blamed in derailments that triggered massive fires or oil spills in Oregon, Virginia, Montana and elsewhere, according to data obtained by The Associated Press." Violation recommendations are issued only for the worst safety violations.⁸ Union Pacific, which continues to haul crude oil through the Scenic Area even after the Mosier catastrophe, "received most of the violation recommendations issued under the targeted inspection program, with more than 800." Oregon simply cannot afford an increase in oil train traffic due to a new oil terminal. HB 3343-1 would put Oregon on a more level playing field with our neighbors to the North and South and prevent our state from being a magnet for these proposals.

II. Impacts of Coal Trains

If a coal terminal was approved in Oregon then coal trains coming from the Powder River Basin, Utah, and Southern Wyoming would likely share the tracks with oil trains through the scenic area. The U.S. Surface Transportation Board declared that coal is a "pernicious ballast foulant" that destabilizes railroad tracks and leads to more accidents. ¹⁰ At least one railroad "has determined that coal dust poses a serious threat to the stability of the track structure and the operational integrity of" its railroad network. ¹¹

Coal dust that is emitted from train cars gets into the rock ballast that supports the railroad ties, making the track unstable and more susceptible to damage. In fact, the Burlington Northern Santa Fe railroad has attributed derailments to ballast contaminated with coal dust.¹² Additionally, coal trains are heavy and result in more damage to tracks. As illustrated by the derailment in Mosier, damaged tracks can result in derailments of oil trains. Coal trains mean even more train safety woes for Oregon. Oregon's inadequate laws ensure that, as coal becomes a national priority, any coal terminals that are proposed on the West Coast will be proposed in Oregon. We urge you to pass HB 3343-1 to improve scrutiny of these proposals.

⁴ "Petroleum crude oil unit trains with heavily loaded tank cars will tend to impart higher-thanusual forces to the track infrastructure during their operation. These higher forces expose any weaknesses that may be present in the track structure, making the track more susceptible to failure." Transportation Safety Board of Canada, RAIL SAFETY ADVISORY LETTER – 04/15, *available at* http://www.tsb.gc.ca/eng/medias-media/sur-safe/letter/rail/2015/r15h0021/r15h0021-617-04-15.asp

⁵ *Id*.

⁶ http://www.kgw.com/news/local/inspectors-find-24k-defects-in-oil-train-tracks-nationwide/428823752

⁷ *Id*.

⁸ *Id*.

⁹ *Id*.

¹⁰ See http://www.troutmansandersenergyreport.com/wp-content/uploads/2011/03/Coal-Dust.pdf

¹¹ Available at http://www.bnsf.com/customers/what-can-i-ship/coal/coal-dust.html.

¹² See Decision, March 3, 2011, Arkansas Electric Cooperative Association—Petition for Declaratory Order, Surface Transportation Board, Docket No. FD 35305, at 7.

Increased coal train traffic would also cause an increase in dangerous air pollution in Oregon including fugitive emissions of coal dust and diesel emissions from trains. The Columbia River Gorge National Scenic Area is already severely impaired by air pollution, especially particulate pollution. Particulate matter pollution threatens human health and welfare. In fact, when reviewing the National Ambient Air Quality Standards for PM2.5, the EPA found that there is no level of particulate matter pollution at which there are no human health effects. According to the EPA, fine particulate matter pollution causes a variety of adverse health effects, including premature death, heart attacks, strokes, birth defects, and asthma attacks. ¹³ Even low levels of PM2.5 can cause low birth weights, damage lung function, and increase risks of heart attack and premature death. Studies reviewed by EPA revealed a linear or almost linear relationship between diseases like cancer and the amount of fine particulate matter in the ambient air. ¹⁴ Consequently, particulate matter contamination has adverse health effects at any concentration.



Photo of an open-top coal train emitting large quantities of coal dust at Columbia Hills State Park in the Columbia River Gorge National Scenic Area. Photo taken on May 22, 2015 five months after the Pasco re-spray facility became operational. Provided by Friends of the Columbia Gorge.

Open-top coal trains lose huge volumes of coal dust and debris during transportation. Even after a facility designed to coat coal with sticky surfactants opened in Pasco, Washington, the picture

¹³ 71 Fed. Reg. 2620, 2627–36 (Jan. 17, 2006).

¹⁴ *Id*.

above demonstrates the occurrence of a massive coal dust emission from a coal train in the Gorge. According to Burlington Northern Santa Fe studies, between 500 lbs. and 2000 lbs. of coal can be lost in the form of dust from each rail car. ¹⁵ In other studies, as much as three percent of the coal in each car (around 3600 pounds per car) can be lost in the form of dust. A study of a West Virginia rail line found that one pound of coal per car per mile is lost from coal trains. ¹⁶ At this rate, one coal train with 120 cars traveling 85 miles through the Columbia River Gorge National Scenic Area could lose just over 10,000 pounds of coal in the Gorge. The increase in the number of trains that would travel through Oregon as a result of a coal terminal would have a direct adverse effect on the health of Oregonians.

III. HB 3343 with the -1 Amendments

Oregon is far behind California and Washington in oversight of oil-by-rail and in scrutiny of new fossil fuel infrastructure. The passage of HB 3343 with the -1 amendments along with HB 2131 and HB 3344 with its -1 amendments would effectively make Oregon a peer with its neighbors. While HB 3343 with the -1 amendments would not catch Oregon up to its neighbors on its own, it would be an important step in the right direction. Therefore, Friends supports HB 3343 and asks that you adopt the -1 amendments and move the bill to the floor.

Thank you for the opportunity to testify.

Sincerely,

Steven D. McCoy Staff Attorney

¹⁵ See Hearing, July 29, 2010, Arkansas Electric Cooperative Association—Petition for Declaratory Order, Surface Transportation Board, Docket No. FD 35305, at 42: 5-13.

¹⁶ Simpson Weather Associates 1993. Norfolk southern rail emission study: consulting report prepared for Norfolk Southern Corporation. Charlottesville, VA.

Oregon: Weakest Oil Train and Terminal Laws on the West Coast Prepared by Friends of the Columbia Gorge, For more information call Michael Lang, (971) 634-2030							
LAW	OR	WA	CA				
Oversight of Railroad Emergency Response	NO	YES	YES				
Fees On Oil Trains For Emergency Response	NO	YES	YES				

NO

NO

NO

NO

YES

YES

YES

YES

YES

NO

YES

Railroad Ability To Pay For Worst-Case Spill

24-Hour Notice Required For Oil Trains

Terminals

Comprehensive Environmental Review for

State Land Leases Required For Terminals

Inspectors find 24K defects in oil train tracks nationwide

AP, KGW 10:20 AM. PDT April 05, 2017



BILLINGS, Mont. (AP) - Government inspections of railroads that haul volatile crude oil across the United States have uncovered almost 24,000 safety defects, including problems similar to those blamed in derailments that triggered massive fires or oil spills in Oregon.

(http://www.kgw.com/news/local/oil-train-derails-in-mosier/230529172) Virginia, Montana and elsewhere, according to data obtained by The Associated Press.

File: Feds blame Union Pacific for Gorge oil train derailment, spill (http://www.kgw.com/news/local/railroad-blamed-for-fiery-oil-train-derailment/253716914)

Raw video: <u>Smoke, flames pour up from Gorge oil train derailment</u> (https://youtu.be/ZXmdZxdh2Ow)

Photos: <u>Train derailment</u>, fire in the Gorge (http://www.kgw.com/news/photos-train-derailment-in-the-gorge/230445267)

The safety defects were discovered during targeted federal inspections on almost 58,000 miles of oil train routes in 44 states. The inspection program began two years ago following a string of oil train accidents across North America, including a 2013 derailment in Lac-Megantic, Quebec, that killed 47 people.

Federal regulators said the inspections resulted in 1,118 violation recommendations, prompting railroads to become more responsive to concerns raised by track inspectors and to improve safety.

Problems identified by federal inspectors included worn rails and other equipment; bolts meant to hold tracks in place that were broken, loosened or missing; and cracks in steel bars joining sections of track. They also noted failures by railroads to quickly fix problems identified through inspections.



Union Pacific resumed freight train service even as crews continued cleanup from a oil tanker derailment, explosion and fire. Residents of Mosier, Ore., are not pleased. KGW TIM GORDON (Photo: Rollins, Michael)

Such issues are not uncommon across the nation's 140,000-mile freight rail network. But they've received heightened attention after rail shipments of crude oil increased and the number of major derailments spiked following a surge in domestic energy production.

A violation recommendation occurs when an inspector finds something serious enough to warrant a potential penalty, or a railroad fails to address a defect that's been found. Federal officials declined to say how many penalties had been issued under the crude-by-rail inspection program.

A former senior official at the Federal Railroad Administration, Steven Ditmeyer, reviewed the inspection data obtained by the AP. He said it reinforces the need for railroads to stay on top of regular maintenance for their sprawling networks of track.

Many of the defects found by inspectors posed serious safety issues, Ditmeyer said, adding that it can be difficult for railroads to know when a seemingly small problem will result in a derailment.

"All of this is a call for continued vigilance," said Ditmeyer, who directed the railroad administration's Office of Research and Development for eight years. "One defect or one violation of the right kind can cause a derailment. These statistics give a good indication of the track quality, but most (defects) won't cause a derailment."

Some safety gaps found by inspectors bear similarities to the circumstances surrounding prior accidents.

In Lynchburg, Virginia, cracks in the track that went unrepaired led to a CSX Transportation oil train coming off the rails and exploding along the James River in 2014. In Culbertson, Montana, a 2015 accident that spilled 27,000 gallons of oil from a BNSF Railway train was blamed on defective or missing fasteners used to hold the tracks in place. And in Mosier, Oregon, broken rail bolts were blamed in a Union Pacific oil train derailment and fire last year.

The rail industry views safety defects as warnings from regulators that action is necessary, said Association of American Railroads spokeswoman Jessica Kahanek. She said violations are a better indicator of safety problems because not all defects pose an immediate risk. Hundreds of the violation recommendations on oil train routes were "paperwork-related," Kahanek said, such as railroads not providing required forms to government inspectors.



6. Top local news stories of 2016. An oil train derailed near Mosier spilling oil and raising fears about public safety in the Columbia River Gorge (KGW) (Photo: Columbia Riverkeeper)

Omaha, Nebraska-based Union Pacific received most of the violation recommendations issued under the targeted inspection program, with more than 800. A breakdown for violations involving other railroads was not available.

Union Pacific agreed to increase its inspection frequencies following the Mosier derailment under an agreement with federal regulators who said the railroad's inspection program was too lax.

Union Pacific spokeswoman Calli Hite said the railroad shares the Federal Railroad Administration's dedication to safety and safety compliance.

"Union Pacific has always paid close attention to track conditions and inspections," Hite said.

Most violations were found in the months after the inspection program began in January 2015 in the U.S. Southwest, where officials said Union Pacific runs a majority of the oil trains. In many cases, violation recommendations came after the railroad did not respond quickly enough to problems found by inspectors, said Marc Willis, a spokesman for the railroad administration.

Subsequent inspections turned up thousands of additional safety problems but far fewer recommendations for violations.

That was because the high number of violation recommendations for Union Pacific sent a message to the entire industry to quickly address any issue raised by inspectors, officials said.

"Railroads are paying closer attention," Willis said, adding that derailments have fallen 10 percent since the inspection program began. "Although many minor defects still are being identified ... both FRA and railroad inspectors are finding fewer serious conditions, resulting in significant safety improvements."

It's uncertain whether the targeted inspection program for oil trains will continue under the Trump administration, he said.

Since 2006, the United States and Canada have seen at least 27 oil train accidents involving a fire, derailment or significant fuel spill. Besides the targeted inspection program, U.S. and Canadian officials have responded with more stringent construction standards for tens of thousands of tank cars that haul oil and other flammable liquids.

The amount of oil moving by rail peaked in 2014 then dropped after crude prices collapsed. Major railroads reported moving more than 43,000 carloads of crude in the fourth quarter of 2016, down almost 50 percent from a year earlier, according to the railroad association.

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April 10, 2017

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

Re: House Bill 3343-1

Chair Helm and Members of the Committee,

We support House Bill 3343 and its -1 amendment's intent to establish a "climate test" during the siting and permitting processes for proposed large-scale fossil fuel infrastructure projects in Oregon. The state's agencies should incorporate climate and economic considerations (based on best available science) into the decision-making process for fossil fuel infrastructure projects.

The economic feasibility of mega-projects that rely on providing carbon-heavy power or exporting fossil fuels to international markets for decades in order to pencil out should be analyzed in light of the global economic transition away from high-carbon fossil fuels to cleaner, renewable energy sources. In addition to the carbon pricing programs under consideration in Oregon, ten U.S. states and 39 countries, including China, have a system to price carbon pollution planned or in place, covering about 50% of the world's emissions. This fact, coupled with the Paris Climate Accords target of keeping global temperatures well under 2°C, send clear market signals that should be embedded into the analysis for economic viability to avoid investment in soon-to-be stranded assets.

To fully transition from fossil fuels to a clean energy economy, our decision-making bodies should also account for the true costs of climate pollution. Measurement of costs of greenhouse gas emissions should be considered as part of any environmental impact review process and the CO₂ standard for siting projects. For example, climate pollution is projected to create \$1.1 billion in health-related costs to Oregonians by 2040. Vanishing snowpack and reduced streamflow due to global warming are already impacting the \$13 billion outdoor recreation industry that directly employing 141,000 people in Oregon. Our beef ranchers could

¹ Environmental Entrepreneurs, "Oregon: Changing Climate, Economic Impacts, & Policies for Our Future," June 2016: http://www.e2.org/wp-content/uploads/2016/07/Oregon_Business_Climate_Report.pdf
² See id.

lose up to \$11 million per year by 2040 due to drought.³ Accounting for these currently externalized costs of pollution to our economy, natural resources and health would solve this market failure and let non-fossil based energy compete on a fair and even playing field. This would drive additional investment to our clean energy transition and enhance existing clean energy initiatives.

Oregon must do more to combat rising climate pollution in our state. We should continue our global leadership role in climate policy, supporting a stable and safe future for us all.

Thank you for your consideration of these comments.

Sincerely,

Meredith Connolly

Oregon Policy Manager

About Climate Solutions: Climate Solutions is a regional non-profit accelerating clean energy solutions to the climate crisis. For almost 20 years, Climate Solutions has been working to implement energy efficiency, renewable energy, and carbon reduction policies that demonstrate that clean energy and broadly shared economic prosperity go hand-in-hand.



April 3, 2017

Representative Ken Helm

Chair House Committee on Energy and Environment

Dear Senator Helm;

We are writing to ask you to support HB 3343, The Climate Test Bill and SB 557 The Clean Energy & Jobs Bill.

350.org focuses on Climate Change Science, working to mitigate further harm to our environment and to advocate for a pathway to a future with a stable climate and a viable growing economy with clean energy jobs.

To do this we must have legislation in place to both create (SB 557) and protect (HB 3343) our state, while society comes to understand the most crucial issue of our time; a transition away from fossil fuels.

HB 3344: The fossil fuel industry is banking on the Northwest to act as a gateway to send very polluting Bakken and Tar Sands oil to Asia. The pressure to allow pipelines and export terminals of record-breaking scale is increasing yearly. This will continue, even as it becomes obvious that we cannot afford to continue to rely on fossil fuels and the fossil fuel corporations' concerns for their "stranded assets" increase.

The requirement to examine the economic viability of a fossil fuel mega-project in a global energy economy that will limit global warming to well below 2 degrees C is both crucial and smart. If the likely economic benefits for staying under the 2 degree C temperature rise, , cannot be shown to outweigh the negative impacts, the permit will not be issued. 2 degrees C is still 1 degree C higher than recommended by current science.

SB 557 is the path forward and offers mandates for the way monies will be spent from auction of pollution allowances that will support economically disadvantaged communities and can create much needed jobs in rural communities. We have seen the significant economic benefits in California and Ontario of a Cap, Trade and Invest Program. We are a relatively small state but joining with others in the WCI will build a solid economic basis for trading and a model for the rest of the world to follow.

We support the focus in both bills on health impacts to economically stressed communities where large fossil fuel infrastructures are located, and funding allocation to rural areas where jobs are scarce. Consideration of the impacts on Indigenous Tribes' ability to sustain their traditional ways of surviving is another important part of this legislation. Respecting and preserving Indigenous ways will protect us all in the end.

Thank you for your time and attention to these immensely important pieces of legislation.

Sincerely,

Patricia Hine and Debra McGee, 350 Eugene

cc: Linda Kelley, Lead Legislative Coordinator

Hair on Fire Oregon Testimony for April 10th, 2017 Hearing In support of "Climate Test" bill - HB 3343

Chair Helm and members of the House Energy and Environment Committee,

We are writing in strong support of HB 3343 with -1 amendments on behalf of a group called Hair on Fire Oregon who has been working non-stop since 2015 to advance state climate policies that will enable Oregon to meet our greenhouse gas emission reduction goals set by the legislature in 2007. Reports given to your committee by the Oregon Global Warming Commission and the Oregon Climate Change Research Institute in January 2017, point out clearly that these voluntary aspirational goals are not being met and the consequences to this state in mitigating climate change impacts will be high.

HB 3343 is exactly the common sense policy that Oregon needs. Rather than site large infrastructure with no regard to their climate impacts, HB 3343 creates a "climate test" by which we can weigh economic benefits alongside whether the full life cycle impacts of such projects will allow us to meet our Paris Agreement of keeping below 2 degree C and Oregon's own GHG reduction goals. The climate test bill would be applied to larger scale infrastructure projects to ensure we are assessing full economic impacts and weighing benefits against downside economic consequences of climate impacts.

Here in rural Southern Oregon, we are feeling concrete effects of our changing climate. Weather patterns have become increasingly erratic with longer, drier summers, snow packs either diminished or melting ahead of traditional spring runoff are causing decreased soil moisture in our now longer and hotter summers. We are avid gardeners and manage nearly 500 acres of timber ground and are experiencing first hand drought-stressed die off, increased bug kill and fire risk. A spring belonging to one of our neighbors up on the Greensprings where we live, for the first time in 60 years of their living here, ceased to flow in 2015, causing them to have to haul in drinking water to their property. The city of Ashland ran a 12" water tie-in to Medford water in 2014 following having 2/3 snowpack level on May 1 (40" of 60") needed to supply city water through the summer. This was followed by zero snowpack on May 1st, 2015—all of which creates widespread and grave consequences for municipalities, timber, agriculture, fisheries, recreation and more here in our part of the state. In short, we are feeling the effects of climate instability that scientists and our own Oregon Climate Change Research Institute have predicted will increase.¹

By providing a "test" that includes climate impacts, we can look at and weigh benefits against some of the projected income and job loss to important revenue sectors of Oregon that are vulnerable to climate change. According to this report produced by The Climate Trust for the legislature in 2014, <u>An Evaluation of Potential Carbon Pricing Mechanisms for the State of Oregon Policy Paper for the 2014 Oregon Legislature</u>, the following chart, found on page 2, depicts the potential harm to various economic sectors in Oregon <u>if no</u> action is taken to stem greenhouse gas emissions. As stated earlier, we can attest here in Southern Oregon, we are already experiencing "warmer, drier summers", "increased wildfires", "increased irrigation needs" and "disease and pest increases".

1

¹ Oregon Climate Change Research Institutes Third Oregon Climate Assessment Report (2017). http://www.occri.net/publications-and-reports/third-oregon-climate-assessment-report-2017/

Threat:	Leading to:	Valuation of industries affected:
Warmer, drier summers	Drought Heat waves Wildfires Disease and pest increases	Forestry: \$12.78 ⁴ Wine: \$2.78 ⁵
Sea level rise along coast	Erosion Flooding	Coastal Real Estate: No information available
Reduced winter snowpack in the Cascades	Increased water prices Increased irrigation needs Decreased tourism	Agriculture: \$23B ⁵ Tourism: \$9.2B ⁷
Increased ocean acidity	Algae blooms Biodiversity changes	Salmon fisheries: \$6.7M ⁸

These impacts will be significant and costly--putting at risk more than \$47 billion/year of Oregon revenue. The report goes on to say that "...continued worldwide inaction, could cost anywhere from 5-20% of global GDP each year in perpetuity, while action would cost only 1%." HB 3343 would provide a way for Oregon to weigh the harm and the benefits of each project and sanction those projects that move us in a net positive direction. This makes sense to do, especially in light of the social cost of carbon and other data, like wildfire intensity and costs, drought impacts, etc. now available.

In 2007, Oregon passed HB 3543 setting goals to reduce greenhouse gas emissions in the state to 10% below 1990 levels by 2020 (50.4 million metric tons/year) and at least 75% below 1990 levels by 2050 (14 MMtons/y). The recent report the Oregon Global Warming Commission² submitted to the legislature confirmed that we are nowhere near reaching either of those targets with the voluntary approach Oregon has relied on. In fact, the Department of Environmental Quality continues to issue new permits to pollute for the asking having no directive from the state statutes specifically telling them not to. This, in part, has resulted in an uptick from 60.3 MMtons/year in 2014 to 63.4 MMtons in 2015.3

Table 1:	Oregon	Emissions by	Sector,	1990-2	015 (Million	MT COZe)	
		199	00	1995	2000	2005	

	1990	1995	2000	2005	2010	2011	2012	2013	2014	2015
Transportation	21.0	22.6	24.4	24.7	23.2	22.3	22.3	21.3	21.4	23.2
Residential & Commercial	16.6	19.9	23.1	22.0	23.3	22.5	20.8	22.0	21.4	22.2
Industrial	13.9	16.9	18.0	13.7	12.3	12.2	11.5	11.9	12.4	12.8
Agriculture	4.9	5.5	5.3	5.7	5.2	5.5	5.5	5.2	5.2	5.2
Total	56.4	64.9	70.7	56.2	63.9	62.4	60.2	60.3	60.3	63.4

At the historic Paris COP21 gathering in December 2015, over 170 countries from around the globe, including the United States, signed the Paris Agreement vowing to keep global temperatures well under 2 degree Celsius and if at all possible under 1.5 degrees C above preindustrial levels. Our own Governor Kate Brown in May of 2015 joined California and now 167 jurisdictions from 33 countries on 6

² Oregon Global Warming Commission's fifth Biennial Report to the Oregon Legislature 2017. http://www.keeporegoncool.org/sites/default/files/ogwc-standarddocuments/OGWC%202017%20Biennial%20Report%20to%20the%20Legislature final.pdf

³ Ibid

continents representing 35% of the global economy--each vowing to reach 2 tons of greenhouse gas emissions per capita (~8 million metric tons for Oregon) by 2050 in order to reverse global warming and the extreme harm it is starting to have. The Climate Test bill is a critical policy needed for us to succeed in reaching these significant GHG reduction targets.

Another compelling reason for Oregon to pass HB 3343 is that it would accentuate an asset that Oregon has an abundance of, namely renewable energy, while helping avoid the risk of stranded infrastructure assets that are increasingly likely as we move toward lowering GHG emissions on a worldwide scale. Oregon is rich with renewable energy natural resources. We have abundant sun, wind, geothermal, hydro and waves. By scrutinizing projects based on their compatibility with the Paris Agreement, as HB3343 does, we would minimize stranded asset risk and capitalize on developing assets that embrace a renewable energy future. Additionally, this would send a powerful and unequivocal signal to businesses everywhere that "Oregon is open for clean energy business!" triggering both clean energy businesses and jobs to grow in Oregon.

We are well aware of the challenges that Oregon is facing. One that should not be overlooked is the cost of climate change to Oregonians and to the resources that provide a living to many who live in this amazing state. Costs associated with sea level rise the entire length of the coast, ocean acidification, timber, agriculture, fisheries, outdoor recreational and health impacts, if we continue business as usual, will quickly spiral out of control. More than 70% of Oregonians agree that global warming is real and it is time for legislators to acknowledge this extreme threat we face and act with all speed to implement policies including HB 3343 to create a metric to measure full impacts and approve net beneficial projects accordingly.

We ask that you heed the growing signs and act with bi-partisan support to pass HB3343 this legislative session. Please protect what we all love. HB 3343 helps rural Oregon, it helps all of Oregon.

Thank you,

Deb Evans and Ron Schaaf Co-founders, Hair on Fire Oregon Ashland



Bill Walsh and Shirley Weathers

1020 Butte Falls Highway, Eagle Point, OR 435-548-2630 walsh.weathers@gmail.com

Testimony for Hearing on April 10, 2017 – Support for HB 3343, Climate Test Bill

Chair Helm and members of the House Energy and Environment Committee,

We strongly support HB 3343 with -1 amendment. While we are relatively new to Oregon, we have watched with excitement various actions Oregon has taken out of a commitment to address the critical issues around climate change. We moved here from oil and gas country in Utah where the economics of boom and bust fossil fuel exploitation fairly well silence such discussions. We commend decision-makers including elected officials for setting greenhouse gas emission reduction goals. Now that it is clear that those goals are not able to be met with primarily voluntary efforts, you are considering action to try different tacks. This is entirely appropriate.

One critical action as Oregon revisits what needs to be done is to ensure that we have adequate information about new, proposed projects to enable us to avoid in fact-based fashion those that will drag us backwards--proposals that will thwart us in reaching our emissions goals. For example, we have watched quite carefully since moving here in 2013 the Jordan Cove Pacific Connector Pipeline Project. At that time, FERC staff were working with project proponents on the Environmental Impact Study (EIS). Neither the draft nor the final EIS considered the proposed project's climate impacts in any meaningful way. We cannot realistically expect such information to be made available voluntarily by a project proponent. There appears to have been a vacuum in statutory mechanisms for Oregon to compel it either so as to be able to take impacts on its own goals into account, either. HB 3343 will help address that.

HB 3343 creates a "climate test" designed to help us make informed decisions about large scale infrastructure projects that knock on our door. The bill's provisions are intended to ensure that we are able to assess full economic impacts and weigh benefits against downside economic consequences of climate impacts.

The science is clear. We must take the impacts of climate change very seriously. By providing a "test" that includes climate impacts, we can take a clear-eyed look at other factors in light of those impacts in all of their breadth. hotter, drier summers; increased wildfires; increased irrigation needs; and disease and pest increases and other drought impacts, to name a few. We are part of the world community, as well. We believe Oregon needs to do everything it can.

It makes no sense for Oregon to ignore global efforts to address climate change in our ongoing economic development strategies. The wave of the future is not—and must not be—fossil fuels. HB3343 allows us to align our economic development strategies with trends evidenced by the Paris Agreement. We fervently hope that Oregon will take bold steps to a renewable energy future. While enabling us to avoid projects that will take us in the wrong direction, it will allow us to encourage and facilitate with confidence projects that will take us down the right road.

We urge you to continue progress towards a firm clean energy stance this legislative session. One important step is to pass HB 3343.

Thank you for the opportunity to share our views,

Shirley Weathers and Bill Walsh

Smith Holly

From: Jeanne Roy <jeanneroy62@gmail.com>

Sent: Sunday, April 09, 2017 5:20 PM

To: HEE Exhibits
Subject: HB 3343

6805 SW 12th Ave. Portland, OR 97219 April 9, 2017

To: House Energy & Environment Committee

Subject: HB 3343 Relating to fossil fuel infrastructure projects.

Please vote **YES** on HB 3343, which directs the State Department of Energy to develop climate test to conduct reviews for approval of proposed fossil fuel infrastructure projects.

Unlike in Washington, where large-scale projects must undergo a rigorous environmental impact analysis, including examining their potential for greenhouse gas pollution, Oregon currently has no formal way to evaluate the climate implications of proposed energy developments.

There have been so many fossil fuel infrastructure proposals in the NW Region recently that if they were all to be approved, their impact would be equivalent for at least five Keystone XLs (according to Sightline Institute).

The climate test will examine the economic viability of a large fossil fuel project in a global energy economy that will limit global warming to below 2 degrees C. If the likely economic benefits under the "2 degree C scenario" do not outweigh the cumulative negative impacts, the permit will not be issued. That's a good idea.

Yours truly, Jeanne B. Roy



The League of Women Voters of Oregon is a 97-year-old grass roots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

April 9, 2017

To: House Committee on Energy & Environment

Representative Ken Helm, Chair hee.exhibits@oregonlegislature.gov

Re: HB 3343-1 Climate Test - Support

The League's position is to "Preserve the physical, chemical and biological integrity of the ecosystem, with maximum protection of public health and the environment", with a focus on demanding pollution prevention and ensuring justice and public safety for all people. Specific to this position, the League of Women Voters United States (LWVUS) jointly with League of Women Voters of Oregon (LWVOR) have amici standing supporting Our Children's Trust state and federal lawsuits relating to the public trust doctrine and a new fundamental right to a safe climate.

Additionally, this past August the League wrote to Angus Duncan, chair of the Oregon Global Warming Commission copying the Governor and Legislative Leadership, asking for his commission to review Oregon's outdated greenhouse gas emission (GHGE) targets, reset the reduction targets to ensure we do our part to keep climate warming below 1.5 c and end the century below 350 ppm CO2.

The League supports Oregon Climate Policy which addresses accelerated comprehensive over-all systems efforts which ensures the above-mentioned Oregon Green House Gas Emission Targets are achieved. **HB** 3343 *Climate Test* is essential pillar partnered with SB 557 *Cap and Trade* Climate policies to address this challenging generational justice and public safety for all people imperative.

HB3343 Climate Test Highlights:

- The fossil fuel industry wants to use Oregon as a gateway to Asian markets for their fuels. To do so, they need to build pipelines and export terminals of record-breaking scale, i.e. infrastructure mega-projects.
- Oregon regulations do not currently consider climate when reviewing permit applications for fossil fuel mega projects that needs to change.
- Under the Climate Test, the Oregon Dept. of Energy would coordinate all environmental permit processes, which currently are handled individually with no communication between agencies.
- Additional considerations like health impacts on environmental justice communities and impacts on indigenous Tribes are part of the Climate Test.

- Lastly, the Climate Test will examine the economic viability of a fossil fuel mega-project in a global energy economy that will limit global warming to well below 2 degrees C.
- If the likely economic benefits under the "2 degree C scenario" do not outweigh the cumulative negative impacts, the permit will not be issued.

Additional insights are available at Sightline Institute article published April 6, 2017.

This testimony recognizes that the greatest environmental/moral challenge facing us at this time is climate disruption. There is an urgency, according to current science, to reduce net greenhouse gas emissions fast enough to avoid serious damage to the global climate ecosystem.

Norman Turrill LWVOR President

Horman Lucill

Claudia Keith

LWVOR Climate Change Portfolio

April 10, 2017



411 S.W. 2nd Avenue Suite 200 Portland, OR 97204 503-548-2797 info@progparty.org

www.ProgParty.org

Oregon Progressive Party Position on Bill at 2017 Session of Oregon Legislature:

HB 3343: Support (and should be expanded)

Dear Committee:

The Oregon Progressive Party (OPP) supports this bill, which:

- Directs State Department of Energy to develop climate test to conduct reviews for approval of proposed fossil fuel infrastructure projects.
- Requires department to adopt rules to establish standards and criteria for developing and administering test.

If anything, the requirements of the bill are too narrow. A climate test should be required for all public projects in the same manner as an environmental impact report. It should not be limited to reviews for approval of proposed fossil fuel infrastructure projects.

Oregon Progressive Party

Daniel Meek

authorized legal representative dan@meek.net 503-293-9021





April 10, 2017

Submitted Via Email

House Committee on Energy and Environment

Re: Columbia Riverkeeper Support for HB 3343

Dear Chair Helm and Members of the Committee,

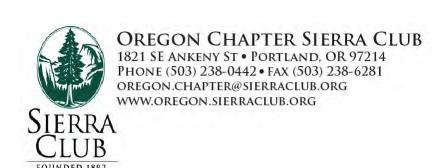
Columbia Riverkeeper (Riverkeeper) supports House Bill 3343. Riverkeeper and its 12,000 members work to protect and restore the Columbia River. The impacts of climate change will impair the ability of the Columbia River to support clean water, healthy salmon runs, and livable communities. Additionally, several of the Northwest's largest proposed greenhouse gas polluters would use Columbia River rail corridors and ports to export massive quantities of fossil fuels. These proposals would harm water quality, air quality, and public safety while undercutting the state's climate goals. Oregon currently lacks a comprehensive approach for assessing the climate impacts of these proposals.

HB 3343 would help to bolster the state's ability to address the impacts of large proposals that would add to the state's greenhouse gas pollution. The Columbia River Estuary has seen multiple very large energy export proposals, including projects that would export coal, oil, and natural gas. For years, our members and the general public have wrestled with how state agencies can best work to evaluate the comprehensive impact of very large projects. HB 3343 establishes a "climate test" for facilities that would add 500,000 metric tons or more of carbon dioxide pollution each year. HB 3343 and its companion SB 1007 would provide new and important tools for Oregon to achieve its climate goals by addressing the impacts of very large proposed polluters. By requiring projects to disclose their climate-changing pollution impact, Oregonians will gain a clearer sense of whether new large fossil fuel projects are consistent with the state's goals for reducing greenhouse gas pollution.

Currently, Oregon lags far behind California and Washington in its ability to evaluate the environmental, public safety, and climate impacts of large projects. HB 3343 would help to close this gap by establishing a public review process that addresses the greenhouse gas pollution from very large proposals. California and Washington, through their State Environmental Policy Act reviews, already require an analysis of climate change impacts for large projects. We support the effort reflected in HB 3343 to bring Oregon more into line with our neighbors.

Sincerely,

Dan Serres Conservation Director, Columbia Riverkeeper dan@columbiariverkeeper.org 111 Third Street Hood River, OR 97031



To: Members of the House Energy and Environment Committee

From: Rhett Lawrence, Oregon Chapter Sierra Club

Date: April 10, 2017 RE: House Bill 3343

Chair Helm and Members of the Committee: Good afternoon, my name is Rhett Lawrence and I'm the Conservation Director for the Oregon Chapter of the Sierra Club. On behalf of our more than 20,000 members and supporters in Oregon, I am pleased to offer comments on House Bill 3343. As an organization with a long history of working on moving beyond fossil fuels in Oregon, the Sierra Club strongly supports HB 3343. We have been raising the need for a more coordinated and comprehensive view of large fossil fuel projects for a number of years now. We believe the Climate Test proposed by HB 3343 is an excellent and necessary tool for Oregon to implement as we begin to deal with the climate changes already upon us.

In essence, this bill would essentially create a state-level and more particularized version of the National Environmental Policy Act (NEPA), which has been the environmental equivalent of the Magna Carta since it was enacted on January 1, 1970. Our neighbors to the north and south passed their own state versions in the early 1970s – California's CEQA and Washington's SEPA – and both provide significant authority to state agencies to review proposed projects, ask questions, conduct appropriate studies, and consult with other state and federal agencies.

Oregon, on the other hand, enacted its pioneering land use laws, which have served us well in many circumstances and which encourage us to address the impacts of certain projects in some cases long before those projects are ever conceived. Unfortunately, our land use laws and other state agency permitting processes are unable to deal with some very large projects – some with interstate and even international consequences – that have been proposed in Oregon. When a large project requires many permits from multiple agencies, the agencies should be empowered to share resources and provide the applicant and the public with a more coordinated analysis and review. That is not the case in our state right now.

And importantly, none of those laws or permitting systems in our state is required to consider climate impacts as a factor in approving or denying permits. The Climate Test would change that by both bringing climate considerations into the analysis of large fossil fuel projects and creating an

overarching mechanism by which multiple agencies' permits and analyses are contemplated as a whole. It would authorize the Oregon Department of Energy to coordinate with other agencies to gather and provide good information to decision-makers and the public when certain projects are likely to have significant consequences to the environment or the state's economy that extend beyond the issues raised in a single permit. It would also require the assessment of the health effects on environmental justice communities and the impacts on indigenous Tribes.

Of course, another component of the Climate Test is that it will require agencies to examine the economic viability of these large fossil projects in a global energy economy that will limit global warming to well below 2 degrees Celsius. And if the likely economic benefits of the proposed project under the "2 degree C scenario" do not outweigh the cumulative negative impacts, the permit would be denied.

The Oregon Chapter of the Sierra Club believes that the proposals put forth in HB 3343 would be beneficial to Oregon, both in better protecting our environment and in instituting new efficiencies in permitting processes for state agencies. For these reasons, we very much support House Bill 3343 and we urge this committee to do the same. Thank you very much for considering my comments.

Smith Holly

From: Nancy Pfeiler <nancypfeiler6@gmail.com>

Sent: Monday, April 10, 2017 1:35 PM

To: HEE Exhibits

Subject: Supporting HB 3343 Climate Test

Honorable members of the House Committee on Energy and Environment:

I am a member of 350 Salem OR, a climate activist organization. We do all we can to halt the building of new infrastructure in the state of Oregon designed to transport or process fossil fuels. We support using any investment dollars in upgrading transit, creating walkable neighborhoods and encouraging the safe use of alternative transportation to get people out of their cars.

In this vein, I strongly support the passage of HB 3343, the Climate Test Bill. It will streamline the permitting process at the state level and give weight to the entire process of the fossil fuel industry. One current example in Oregon is a proposed liquid natural gas export project in the Coos Bay area (so-called Jordan Cove). This test would give weight to the emissions of methane at the fracking source, all along the pipeline and during any liquefaction process AS WELL as the burning of the fossil fuel at its foreign destination. It will create a way to measure impacts to health and well-being of all along the entire route from the fracking fields in Colorado, all along the 232 miles of high-pressure pipeline crossing 400 waterways and destroying forests in fire-prone southern Oregon, to the constant methane flaring at the liquefaction refinery in Coos Bay. The way the permits are currently considered, agencies are required to narrowly focus their measurements in a local area rather than considering the whole long route. The Climate Test will make a huge difference.

All the points in the summary are favorable:

Directs State Department of Energy (ODOE), in consultation with state permitting agencies and federal agencies, to develop a climate test for proposed fossil fuel infrastructure projects and administer such a test on the behalf of state permitting agencies. Authorizes ODOE to establish fees. Establishes purpose of test to include 1) comparing the economic viability of a proposed project against investments required to have at least a 66 percent chance of limiting global mean temperature rise to two degrees Celsius by 2100, 2) ensuring energy decisions are guided by the best available climate science, 3) minimizing potential adverse impacts on environment and public health, 4) incorporating data from existing climate change models, 5) specifying standards and protocols using climate science to assess the direct and indirect environmental impacts of a proposed project, 6) provide standards to evaluate and measure life cycle greenhouse gas emissions of a proposed project, 7) compares costs and benefits of proposed project with alternatives to include not building the projects, 8) considering disproportionate impacts experienced by minority and low-income communities, 9) considering potential impacts on Indian tribes. Requires state permitting agency to provide notice both to ODOE and applicant regarding applicability of climate test to a proposed project. Requires permitting agency deny any application where climate test reveals greater adverse impacts that economic benefits of proposed project. Applies to applications received on or after effective date of Act.

Thank you for your consideration.	Thank you for protecting	Oregon's beautiful	environment for all	of us today
and in the future.				

Sincerely,

Nancy Pfeiler

448 Sunwood Dr NW

Salem, OR 97304