

From: Jane Stackhouse
To: [SENR Exhibits](#)
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Senator Dembrow, Representative Helm, members of the Senate Committee on the Environment and Natural Resources, and members of the House Committee on Energy and Environment.

Thank you for the opportunity to comment on SB1507 and HB4001. I have been following the progress of this bill since 2016 and observed several of the work groups held during the interim. It is essential to pass this legislation in 2018 so the rule making can commence.

This is the opportunity for Oregon to set an example and put a cap on carbon while investing in a just transition to renewable energy. We cannot delay taking action on CO2 levels that are rising and endangering our health and economy here in Oregon and in the world.

That said, I have some suggestions that I think will strengthen this bill.

My first two suggestions are meant to allow the Environmental Quality Commission to be more responsive as the bill is implemented. My other suggestions are for more substantial changes. Section references refer to HB4001.

Section 14(2) Reads '...electric companies and natural gas utilities. Rules adopted under this subsection *must*: ...(a)[allocate allowances at no cost]. I suggest changing *must* to *may*. This would enable the rules to allow no cost allowances and would enable some cost for allowances to be allowed if the electric and gas utilities do not take necessary steps to decrease their emissions. Our two largest electric utilities have demonstrated a need for incentives to move to clean solar and wind energy.

Section 14(4)(a) addresses the issue of emissions-intensive, trade-exposed entities. I agree these entities experience risk from competition outside of Oregon. The bill reads that the 'commission shall adopt rules for allocation allowance for direct distribution *at no cost* to covered entities'.... I suggest the wording be changed to 'adopt rules 'allocating *some* allowances at no cost'... This allows for charges for some or all of the allowances ETEI's require as their risk lowers without rewriting the legislation. For example, is many other states follow our lead then then EIET's would not have the extent of trade exposure they may have now.

Exclusion of marine and Aviation Fuels, Section 13(2)(c)(C)(ii), is disappointing. The marine and aviation industries are major emitters and are in a position to take action to reduce their emissions. Ships can improve the efficiency of their engines or be powered by solar and wind. Airplanes can improve their jet engine efficiency to use half the fuel most aircraft in service (20-30 year old planes) currently use. Most boat, ship, and airplane users have resources to bear additional costs. Recreational and business users tend to be more affluent. Commercial owners can pass increased costs on to their customers. The exception of independently owned fishing vessels for whom increased fuel costs would be a burden could be managed by Just Transition Funds or rebates from the marine fuel distributors in exchange for free allowances.

Commercial marine and aviation transportation sectors are growing and their emissions are increasing. I think a better plan would be to allow some free allowances.

Section 20 addresses offsets and is one where the Senate and House bills differ. Several environmental justice groups would like even a lower offset allowed. I think the key factor in offsets is how they are monitored and I think the bill clearly outlines that they must be 'real, permanent, quantifiable, verifiable and enforceable.

My concern with offsetting new emissions is the great need we have to sequester the carbon that has already been release into our atmosphere. It takes approximately 30 years for existing carbon to decrease by half. The ton of CO2 emissions we create today will not be 'gone' until the year 2288 (270 years from now) when my 10th generation great grandchild throws out the last 5 pounds of it. Clearly we have a lot of carbon to absorb and preference should be given to sequestering existing carbon rather than new emissions if we want to reverse the acidification of our waters.

I am pleased to see the formation of an advisory committee on offsets that is outlined in Section 15. I have a couple of concerns.

Section 15(4) does not specific the number of people on the committee. Section 15(4) (a) states only 'scientists'. I suggest this should specify scientists with expertise in sequestration and offsets. Scientists may err when they advise outside of their field of expertise.

Also Section 15 does not have a provision for pay or per diem expense reimbursement. The members of this committee need to have at least basic expenses covered as it is unlikely they will all be based in one geographical location.

I commend the Senate and the House for clearly outlining the makeup of the DEQ Program Advisory Committee in Section 8. It is essential that there is broad and diverse representation on the committee. It is also essential that the Environmental Justice Task Force that will recommend five of the 21 members of the committee be representative of environmental justice and tribal groups.

The Just Transition aspect of these bills is very important to me. You can look at any demographic map of air quality and pollution and find the homes of the poor and minority groups. You can look at any big change in technology such as logging and see former workers who have lost their good paying jobs. The Just Transition Fund is a way to help ameliorate these injustices. I would be happy if the 15% allocation to this fund were larger. Please make sure to hold fast on the just transition aspect of the bill.

Thank you for all of the work you have put into this bill. Before I became involved in climate change action I was only an active voter. I did not put much time or energy into reading legislation or administrative rules that were not directly related to my work in vocational rehabilitation and later in global human resources at Nike. I have followed the process on this bill closely. I appreciate the work that has gone into this legislation and the fairness and transparency of the process. I feel empowered to have the opportunity to testify.

'Just Do It' and pass this landmark legislation this session. We need to begin the task of writing rules so we can implement in 2021.

I'll be 74 then and I want to live to see the benefits of this cap and invest legislation.
Thank you for considering my testimony.

Jane Stackhouse

[503.284.1049](tel:503.284.1049)

2133 NE Brazee Street

Portland, Oregon 97212

jane@janestackhouse.com